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His Majesty

Sultan Haitham bin Tariq

May Allah bless and protect him

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Nasir Salim Al Shuili

Editor



ICV Achievements

Government procurement and tenders: wealth that can be maintained and rotated?

In all countries of the world, a large portion of government spending is dedicated to the tenders offered by the government in the implementation of its developmental programs and projects incorporated in its annual plans. The other portion constitutes government procurement of a number of services and goods that government institutions need on an annual and regular basis, and usually hundreds of millions are allocated for these two spending items and are assigned as a single package or as multiple packages to the companies that implement the project or provide the service. These companies may be local or foreign, and in either case, governments disburse these financial allocations on an annual basis.

The question that comes to my mind: "Is it possible to maintain and rotate these funds to bring a great economic power to the country?"

The answer will be mainly based on my own diligence and I will give examples from the local reality, so that I can explain my answer. In the past decade, the government of the Sultanate of Oman has implemented a number of strategic projects, such as Muscat International Airport project, at a cost of (US\$ 4.7 billion), Muscat Expressway, at a cost of 800 million Omani Riyals, and other developmental projects such as constructing electricity and water stations, providing medicines and medical supplies, purchasing military equipment, building dams and communication towers, and other similar works.

If we conduct a feasibility study for the industries targeted for domestication or the technology targeted to be transferred, which is sustainable for the benefit of the country and has a continuous demand in the local market and if it is linked as a binding condition in awarding the tender to the executing company, we will find that after a period of time, we have established a number of factories and attracted modern technology.

On the other hand, regarding government procurement, why shouldn't we have a digital platform that classifies government procurement and inventory to be developed and reviewed annually, and only national institutions, that have a license from the Small and Medium Enterprises (SMEs) Authority are permitted to register on that platform; through this step, we will encourage entrepreneurs to establish projects, and rationalize government spending by providing sustainable and highly efficient national products.

With these two initiatives, we will make the country's money circulate in its economy and remain in its homeland, through this, trade will flourish and the efficiency of its national products will be boosted, this, in turn, will create job opportunities for cadres and will achieve the principle of rationalization and efficiency of government spending, raising the index of SMEs.

These are some of the ideas that surfaced during the period of work on this book, and there are some questions that I discussed with the HODs of the ICV departments of companies participating in the book, most notably:

- **Many products are still imported!** (That means, there are opportunities to localize a number of industries)
- **The local product is more expensive!** (Yes, but it remains a national product, uses local resources, and the funds remain within the country.)
- **Local companies import products and do not manufacture them!** (Well then! Let us support the local suppliers and give them priority).
- **Some SMEs are not eligible!** (With support and follow-up they will be eligible).
- **We request for some services and products that we can't find locally!** (We coordinate with the concerned authorities to offer investment opportunities, or we address the SMEs Authority to do so)

Questions that I did not find answers to in the book:

Who is responsible for the ICV file in the Sultanate?

Why not establish (an authority/a center) that is concerned with supervising ICV through a strategy with standard laws, rules and regulations?

Why not apply the ICV on the other sectors (health, military, industry, tourism...etc.), and submit its reports to the authorized body?

Where is the ICV Index in the Government Tenders and Procurement Council and Governmental Companies?



ICV Achievements in the oil & gas sector

The oil and gas sector has always played a dominant and fundamental role in the economic and social development of the Sultanate of Oman, given the fact that oil & gas resources represents a central and major portion of the country's revenue. Accordingly, in recognition of this important and privileged position, the Ministry of Energy and Minerals through its In Country Value (ICV) initiatives have further accelerated and intensified the enhancement of local businesses and human capital development of Omani nationals. In fact, the successful inception of ICV programme by the Ministry of Energy and Minerals has strategically positioned itself as a role model that inspired and led to the implementation of ICV policy on other sectors of the economy, thus impacting positively and effectively on the overall development of the country.

As a reflection of the close collaboration and concerted efforts between the Ministry of Energy and Minerals and it's various stakeholders, especially oil & gas operating companies as well as business and contracting communities, significant strides and achievements have been realised in a span of over seven years since the launch of the ICV Blueprint Strategy in December 2013. The most prominent of these achievements are summarised below:

- Identification of more than 50 Supply Chain Development Opportunities as investment projects in the oil & gas sector covering various specialised services and manufacturing facilities. So far, almost 30 Supply Chain Development Opportunities have been awarded, while some of the rest are currently in the process of development.
- Implementation of common standard ICV requirements in the oil & gas tenders for the benefit of encouraging investments in the country and maximising the utilisation and employment of national workforce, as well as enhancing the expenditure on local contractors and made-in-Oman goods throughout the execution of the contracts.
- Establish a Vendor Development Programme (VDP) aimed at providing support, mentoring and supervision with an objective of developing the capabilities and competencies of local vendors and manufacturers. As a result, achieving a competitive and sustainable base of local vendors capable of delivering professional services and supplying quality products.
- Set up a Sector Skills Unit (SSU) for the oil and gas sector in collaboration with Ministry of Labour and Oman Society for Petroleum Services (OPAL). The SSU is aimed to ensure alignment between requirements of employment market and outputs of the education and training institutions, thus contributing effectively to the enhancement of Omanisation in the oil & gas sector.

**Department of localization of energy industry and mineral
General Directorate of Planning**

Ministry of Energy & Minerals



ICV Achievements



Abdulrahman Al Yahyai

OPAL CEO

Many countries have successfully proven their achievements, in terms of the ICV, by enhancing the local content and keeping high percentage of the funds spent on developmental projects within its economical domain, by following the policy of imposing high ratios in ICV.

In the Sultanate of Oman, we have entered maturity stage in the oil and gas sector. In 2013, the Ministry of Energy and Minerals announced the launch of the ICV strategy, to be implemented in the largest revenue generating sector in the country, which has high developmental expenses. The strategy completed its seventh year. However, we still face some questions like "Do we have a satisfactory output?", "Has a sustainable environment been created for business and industry in particular, and is it sustainable in creating job opportunities for citizens in the sector? This question and others constantly come to my mind.

Today we are on the threshold of a new stage in the process of a renewed renaissance. Hence, the decision makers have to give due importance to the application of the ICV in various sectors, without exception. There should be a center or authority to govern the application of ICV standards, and to have coordination with the concerned authorities for tenders. It could either be the Tender board or the departments concerned with projects and procurement in the government establishments and companies. This authority would have the absolute validity to audit the systems of the companies, which implement ICV and to enact a law that punishes violating institutions that do not achieve the agreed ratios of compliance, honors institutions that adhere to ICV standards, and publishes best practices. Private companies and

institutions wishing to work with government agencies in the Sultanate must undergo an annual evaluation by one of the accredited certification bodies, in order to determine their compliance in the field of In-Country Value during the past fiscal year. Accordingly, the In-Country Value evaluation model is an essential part of the process of evaluating offers and awarding contracts, which is implemented by government agencies when offering their tenders, as these participating agencies require suppliers submitting their offers to attach an ICV certificate attested by one of the approved certification bodies in order to annually verify the accuracy of the numbers contained therein. The In-Country Value (ICV) mark obtained by the supplier after applying evaluation criteria to it, including the type of manufactured goods, the supplier's expenditure within the Sultanate, the amount of investment, and the localization percentage.

In order to take a step in this direction, an independent working group must be formed and have all powers to study the funds that remain inside the country and that go out through projects and contracts entrusted to companies or through government purchases. This committee should take the oil and gas sector as a model to study and benefit from its mature experience. This committee should also reviews international experiences that have made progress in this field, so that it can present a comprehensive integrated study for the decision maker. Hence, there is an urgent need of establishing an independent body for the purpose of following up on ICV implementation and ensuring enforcement of the concerned laws and regulations and follow up on its implementation.



Zahran Al Abri

PDO's ICV Development Manager

As we continue our journey towards ICV, PDO has worked to support the government's vision to boost manufacturing industries as a part of Oman's economic diversification programme, and in line with PDO's vision of creating value "for Oman and all our stakeholders."

The ICV Blueprint Strategy unveiled in 2013, included 53-investment opportunities pan Oman, of which, PDO led on 43. To date, we have realised 33 opportunities, which are predominantly the establishment of local manufacturing facilities. These provide oil and gas products and services to support businesses in Oman, in the region and internationally.

In addition, PDO operationalised 48 internal opportunities in different categories with SMEs and national registered suppliers through the ring-fencing of scope for local companies, development of local suppliers, qualifying local suppliers by providing technical support, unbundling services and goods, providing training to SMEs through the Tazeez programme, and exercising preferences for local goods and services. The success story of manufacturing has led to a mindset change and renewed confidence among local and foreign investors to set up manufacturing plants in Oman.

PDO managed to establish 5 SLCCs: Al Baraka, Al Haditha, Al Shawamikh, Al Sahari and Sakan with a direct spend reaching US\$819 million in 2020.

Recently PDO extended the SLCC contracts for the duration of another 10 years across different categories, such as flowline construction and well services.

Through its National Objectives programme, the Company was able to support the Sultanate by securing tens of thousand of jobs for Omanis, with many more in the pipeline.

This unique initiative is different from other local content development programmes worldwide, as it is a structured approach that consists of analysing the forecasted demand (goods, services and associated workforce) of all spend categories and assessing the local market capability and capacity to identify the main constraints and opportunities for ICV development.

1. Collaborating and co-ordinating with strategy, contacts and spend value.
2. Generating cross-industry and country-wide opportunities across the value chain.
3. Identifying opportunities to be operationalised with contract or ring-fenced to local companies.
4. Developing vendors and awarding long-term contracts to local manufacturers or suppliers through local vendor development programme.



شركة تنمية نفط عُمان
Petroleum Development Oman

Petroleum Development Oman (PDO) is the leading exploration and production company in the Sultanate of Oman. We deliver the majority of the country's crude oil production and natural gas supply, but above all, we focus on delivering excellence, growth and sustainable value creation within and well beyond our industry.

The Company is owned by the Government of Oman (which has a 60% shareholdings), the Shell Group (34%), Total (4%) and PTTEP (2%). Gas fields and processing plants are operated by PDO exclusively on behalf of the Government.

PDO operates in a concession area of about 90 thousand km² (one third of Oman's geographical area), It has around 192 producing oil fields, 52 natural gas fields, 29 production stations, around 9,000 active wells, It has got a diverse workforce of more than 8,900 employees, and over 70 thousand contracting employees, a combined workforce made up of over 60 nationalities.



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Project

In line with the ICV Blueprint Strategy that was developed to boost Oman's economy, PDO managed to establish 67 manufacturing facilities through a direct investment of more than US\$ 340 million.

The total business awarded to such investors/contractors exceeded US\$1 billion. As a result, this created more than 2,800 new jobs in the manufacturing sector, directly contributing to Oman's GDP, and helped in building local capabilities, whereby 42 Omanis have been sent abroad for upskilling.

In addition, PDO's efforts created opportunities to work closely with local academic institutions, provided opportunities to SMEs, reduced delivery lead times, lowered inventory costs and proved that it's cheaper to manufacture locally. They have also supported Omanis in building their operational know-how in the industrial sector.

In 2020 alone, PDO helped operationalise 9 new facilities in operation, that created around 60 jobs for locals with a capital investment of more than US\$24 million in the Sultanate. The establishment of these facilities does not only support the Omani economy, but also ensures the security of supply to safeguard our operations and sustain the production of oil and gas, which is the major source of income for Oman's economy.

Furthermore, as part of our National Manpower Supply (Emdad) program 2021 strategy and by focusing on creating jobs and employment opportunities for jobseekers, several skilled programmes were identified with an objective of boosting and maximising job opportunities.

Opportunities

- PDO has identified 55 goods and 20 service opportunities in 2020, where the estimated retained value is US\$500 million in different areas such as project blend, 3D printing and the manufacture of electrical and telecom towers.
- Most of the opportunities will be operationalised within the next 5 years through direct investment or a bidding process. Some of them will be ring-fenced for SMEs and LCCs. There are many possible service opportunities such as logistics, digitalisation, maintenance and repair services.





Fixed Asset Investments

2.4 US\$ Billion

PDO has realised 81 opportunities during the last 10 years with a more than 70 contractors and awarded contracts with a value of US\$2.4 billion. These opportunities created a total of 2,844 jobs for Omanis in more than 67 facilities operationalised in different parts of the Sultanate, with more than US\$360 million value invested in fixed assets across the Sultanate.



Human Resources Recruitment

50 Thousand opportunity for direct employment

PDO continues to support the job creation drive for Omani jobseekers and beyond to boost Omani employment and economic diversification. We secured more than 50 thousand job including direct hires. In other areas, such as re-deployment, transferability and on-job training, a total of 14 thousand opportunities were realised with our contracting community, in addition to other schemes of training without employment like local community scholarships and the Eidaad training programme.



Training and Qualification

Train approximately **18,000** Omanis in several courses and training disciplines via PDO's main contractors

PDO managed to secure several training programmes from international accredited bodies, to be qualified and delivered through local institutes such as engineering operations. The second level is in the drilling rigs, mechanical maintenance and lifting operations, rigging, mechanical maintenance and lifting.

The training programmes were certified by the Ministry of Labour, which assisted in creating new job opportunities and helped in fill the gaps within the market.

In addition to the above, a total of US\$51million was spent during the last three years via main contractors to train approximately 18,000 Omanis in several courses and training disciplines, such as HSE, human resources, finance, and in Technical and Development programmes, including scholarships and internships.



Local Goods and Services Procurement

1.75 US\$ Billion

Increase the utilisation of local manufactured goods through the award of direct contract or utilisation through main contractors. PDO mandated the 10% preference for goods made in Oman as per the Royal Decree 1/79.

Direct contracts from PDO towards local manufacturers approx. US\$1.75 billion for the last 4 years.

Through main contractors:



As part of maximising ICV through supporting Local Community Contractors (LCCs), a total of more than 570 LCCs have been registered in the Joint Supplier Registration System (JSRS) up to December 2020. All LCC companies originate from the concession area.

These LCCs are allocated a minimum of 10% range of contracts through the Inter-competition as subcontractors, with PDO main contractors, providing various services in oil and gas operations. Despite the challenges faced in 2020, the LCCs total value spend reached a new record of US\$183 million, while the matured LCCs spend was US\$284 million.

The third element of PDO's local vendor development programme is known as Super Local Community Contractors (SLCCs). These were established as closed shareholding community-based contracting companies, owned by individuals from the concession areas with a total shareholder base of around 10,000 citizens from the concession area. The SLCCs received direct business from PDO worth US\$ 157 million in 2020.



SMEs

Support and Development of SMEs

more than **500** (SMEs) benefitted from training programmes

Local business development has always been an important pillar in our ICV journey. Since 2015, more than 500 (SMEs) benefitted from training programmes covering areas such as legal, finance and tendering delivered in conjunction with Riyada, the Public Authority for the development of SMEs.

In addition, PDO established an in-house programme called Tazeez (Enhance), a tailor-made development scheme aimed at helping SME's compete more effectively for PDO contracts.

This programme, which is conducted yearly, covers a wide range of topics with specific programmes developed for SMEs specialising in renewable energy, maintenance, the Fourth Industrial Revolution and construction.

As a part of PDO's continuous support to local vendor development, the Company managed to ring-fence more than 12 scopes for local companies with an awarded value of more than US\$400 million. Here, 9 local companies were developed by PDO and 4 companies were awarded direct contracts after the completion of the vendor development process. These contracts covered areas such as jet sweeps, the manufacture of flanges and the provision of geological survey services.

PDO's direct spend towards SMEs has been growing rapidly. In 2016, it was US\$60 million, but this had grown to US\$305 million at the end of 2020. This does not include indirect expenditure (through our main contractors), which is more than the direct spend itself.



Technology Localisation

Establishment of Ejaad, a virtual collaborative platform, to encourage industry-academia dialogue and strengthen the scientific research and development system.

Ejaad has also carried out detailed work packages for the potential first technological spin-off in Oman - the Wave Glider (WG). This is an autonomous smart and equipped vehicle that glides on the sea's surface and performs a suite of real-time measurements and services. Technology piloting was successfully carried out in Qurayat and Salalah and the first commercial contract was successfully completed with PDO. In addition, PDO, along with Ejaad, delivered a study on the impact of the Fourth Industrial Revolution on PDO Jobs.



Local Supply of Sub-contracted Services

2.8 US\$ Billion

Total spend for the last 3 years is approximately US\$ 2.8 billion, with an annual spent average of US\$ 950 million. The above spend was sub-contracted to over 75 companies, of which, local companies contribute to 97% share of total spend.



Budoor Younes Al Zadjali

ICV Head at Occidental Oman

Occidental Oman has been in the Sultanate of Oman for over 35 years and is honored to partner with the Omani Government and local communities.

Driven by our In-Country Value strategy, we are committed to support the local production of Omani goods and services, increase the rate of Omanization and support local companies.

Over the last 5 years, we advanced our ICV contribution from 35% to 50%, making us one of the leaders in ICV contribution in Oman.

Since 2005, more than 2,750 opportunities have been created and filled by Omanis within Occidental, and a majority of them were recent graduates.

Through our well-defined and structured Talent Management Strategy, Occidental increased its Omanization in all talent pools.

This strategy mainly focuses on the hiring of recent graduates, and is associated with structured development programs, and solid assessment and monitoring processes. As of today, Occidental is at 94% overall Omanization; 90% at the Leadership level; 95% with Engineers & Geoscientist; and 98% Omanization with Operators & Technicians.

We have contributed to the creation of around 17,000 jobs in the market between Occidental and our contractors.

We have also launched the Oxy Program for Entrepreneurial Development in Frontier Technology, also known as "Dot Next", which accepted 1,200 Omani students and job seekers in its entrepreneurial and technical skills program in frontier technology.

Our ICV programs reaffirm our wide-ranging commitment in developing a competitive Omani Supply Chain.

By the end of 2020, we achieved more than 3,530 active contractual agreements with SMEs representing 19% of our annual spend that year.

We have successfully extended our support to 12 contractual ICV related awards, 8 Vendor Development initiatives and 5 manufacturing opportunities.

We look forward to maximizing our ICV and ongoing efforts to develop and give back to the Sultanate.



Occidental of Oman Inc.
أوكسيدنتال عمان انكروبيتد

Occidental of Oman, Inc. is a wholly owned subsidiary of Occidental, an international energy company with assets in the United States, Middle East, Africa and Latin America. Occidental has been producing in Oman for over 35 years, where it has steadily increased production and reserves and is honored to partner with the Government of Oman. Today, Occidental is the largest independent oil producer operating in the country, with more than 6 million gross acres. Our major operations are in the north, primarily at Safah Field, and in central Oman at Mukhaizna Field, as well as a gas plant in the Maradi Huraymah Field. We also have exploration contracts in three blocks in northern and one in central Oman. Occidental is committed to respecting the environment, operating safely and upholding high standards of social responsibility throughout the company's worldwide operations.

Highlights of ICV Projects

1. Developing the Super LOCAL Community Contractor "Al Khazain"

Occidental Oman developed the Fifth Super Local Community Contractor "Al Khazain," with a total of 1200 shareholders from the concession area. Occidental Oman also supported Al Khazain in Developing their business plans, management policies, procedures, systems and establishing a fully functional company.

Over the past 5 years, and as of 2020, Al Khazain has successfully built an ideal reputation in the market with many after achievements

- Three (3) of Occidental Oman-owned Hoists were awarded to Al Khazain Oilfield Services, in order to develop Khazain in workover rigs services.
- Al Khazain is operating 100 trucks (14 trucks owned by Al Khazain and the rest owned by third parties).
- Al Khazain has active contracts with over 90 SMEs.
- The Al Khazain Omanization percentage as of today is 92%.
- The Al Khazain logistics department is managed and run by 100% qualified Omanis.
- Al Khazain has completed 4 years LTI free, driven more than 13 MM KM and delivered in excess of 34,000 loads.
- Al Khazain has successfully delivered a BESPOKE LMS system that was specifically tailored to Occidental Oman needs, to ensure complete monitoring of all goods.

2. Supporting the Local Manufacturing Opportunities:

- Supplying Casing Accessories.
- Supplying Sodium Chloride Salt For Water Treatment Plant.
- Supplying Caustic Soda.
- Supplying Dolomite Lime.
- Supplying Fasteners Studs & bolts.



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In Country Value Achievements



Human Resources Recruitment

• Around **3,400**

are Occidental Oman employees, with Omanization percentage **94%**

• Around **13,800**

are Occidental Oman Contractors & Sub-contracted employees with Omanization percentage of **51%**.



Training and Qualification

• Offered **160**

training opportunities

- **80** Welding
- **80** Electrical

in **Vocational Training Program**

• **1,200**

Participants from Higher Education Students, Recent Graduates and Job Seekers in Oxy Program for **Entrepreneurial Development in Frontier Technology (.NXT)**.

SMEs

Develop and Support SMEs

Occidental Oman is also supporting and promoting SMEs through our SMEs Development Program "Tasharuk". The Tasharuk Program has:

1. Created more than **300** jobs, with **69%** Omanization.
2. Trained **112** personnel.
3. Grew the value of contracts for participating SMEs by **215%**.
4. Participating SMEs acquired **10** Accreditations: **9** ISO and **1** API Certification.



Purchase of Local Goods and Services

• Delivered **50%**

ICV contribution from its total third-party spend.

• **Increased** ICV percentage **12%** between 2017 and 2020.

• **Allocated 19%** total spend on SMEs and **9%** on LCCs & SLCCs.

• **Successfully** supported and awards, **8** vendor development initiatives and **5** manufacturing opportunities between 2017 and 2020.



Local Supply of Subcontracted Services

Occidental Oman has approximately **600**

subcontractors in the company's operations and blocks, and under these subcontractors, the company has helped provide around **900** job opportunities .



Technology Localization

Occidental Oman has supported a number of new localized technologies to improve the capacity and capability of Omani contractors by providing them the opportunity to participate in a variety of ICV programs, including the Vendor Development Program.

1. **LAMFLOW Technology.**
2. **High Temperature Injection Profile Logging**
3. **LAMIS: Metering uncertainty calculation software**



Yousuf Al Ojaili

bp Oman president

We are proud to be part of this important review of in-country value generated in Oman.

Since we first started to develop Block 61, we have remained committed to increasing the total spend retained in-country, maximising the procurement of local goods and services, and developing local talent.

We have looked at some of these examples here - such as the excellent ICV spend on Ghazeer and how we've worked with companies such as Abraj and MODUS to help them become internationally competitive. Indeed, we have recently awarded a contract to Abraj which was previously held by a large international contractor.

As we pivot from an International Energy Company to an Integrated Energy Company, we will continue to seek opportunities to support Oman's future as well as partner on important initiatives to support the energy transition.

Oman is a strategically important country for bp and we look forward to continuing our relationship and seeing this partnership develop.



bp has had an upstream presence in Oman since 2007 and is a major investor in the country.

bp has a long history of oil and gas exploration and production in the Middle East. It is a major investor in Oman and one of the world's pioneers in tight gas production, bringing technology and experience to develop one of the Middle East's largest unconventional gas resources in the Sultanate's Block 61.

bp started production from Phase One of Block 61 - the 'Khazzan' gas field - in 2017. In October 2020, bp announced the start of production from Phase Two - the 'Ghazeer' gas field - safely, with capital discipline and significantly ahead of schedule.

Opportunities:

bp is currently looking into the potential of developing local vendors to supply spare parts. There is currently limited capability in this area and bp feels it is an opportunity both for the local economy and the oil and gas sector.

This project aims to support 'made in Oman' projects as well as reduce operational disruption during any future lockdown or pandemic.

bp is also supporting local vendors to develop specialized technical experience such as deep gas well stimulation, fracking and well testing using green completion concepts.

Project:

As part of its vendor development initiative, bp supported Abraj Energy Services to become a global market leader in providing well stimulation services and compete with multinational companies in the Middle East and beyond. In 2020, Abraj successfully completed its first well stimulation on Block 61, marking a significant milestone in our relationship with the Omani well services contractor.

Building this capability in the local market will unlock global opportunities and generate more employment within this sector.



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In Country Value Achievements



Human Resources Recruitment

Omanization in bp Oman is

89%

Omanis occupy many leadership positions in the company. The average Omanisation for contracts was 63%, with a total value of 196.66 US\$ Million.



Fixed Assets Investments

160 Thousand USD

The Fabtech bus is Oman's first mobile lab. To date, over 2,600 students in 26 schools around the Sultanate have used the bus to learn about technologies such as 3D printing and virtual reality.

bp has invested \$ 160,000 to set up this mobile lab and in 2020, workshops were delivered to students via virtual platforms.

bp also supported InnoTech to manufacture 4,000 mask shields using 3D printing technologies. These mask shields were donated to health institutions to protect medical staff against Covid-19.



Training and Qualification

2.3 US\$ Million

bp's technician development programme has welcomed candidates from technical colleges and universities across the Sultanate, to complete a four-year programme, including 18 months working towards a National Vocational Qualification. More than 100 technicians have been trained to date, many of whom, now work at Block 61 as mechanical, instrumental, electrical and production engineers. Some of these technicians and graduates have also had the opportunity to work with bp's partner OQ and Oman LNG, thanks to an agreement between the three companies. The costs for the scope have been funded by bp and subject to cost recovery under the terms of the EPSA.



Purchasing Local Goods and Services

Total amount spent on goods and services:

548.79 US\$ Million

Total amount spent on local goods and services: 79.37 US\$ Million. When Petrofac started work on the Ghazeer project, bp set a demanding ICV target of \$275m, equating to around a third of the total project value.

This was made from elements such as the procurement of 'Made in Oman' goods and services, the use of local vendors, and the employment and training of Omani nationals.

By the time Petrofac handed back the new facility, the true ICV exceeded \$311m - around 13% more than originally targeted.

Examples include: STS Group fabricated, tested and transported the Ghazeer glycol package module; Oman Cables produced circa 500 kilometres of cable in just four months; Bahwan Logistics handled almost all of the in-country freight including 1,000 containers, 2,000 trailer trips, and 200 trips of oversized equipment on axles.

Petrofac also hired 22 graduates specifically to work on the facility.

SMEs

Develop and Support SMEs

85.4 US\$ Million

E- Mushrif has installed safety systems on 650 of Oman's school buses within the Al Dhahira region. This technology ensures no child is ever left on the bus and also provides a tracking app for parental usage.

E-Mushrif graduated from the bp social investment programme 'Khazzan for SMEs' in 2017. It went on to rank second in the 'Best Small Business' category for the Riyada awards.



Technology Localization

50 US\$ Million

bp awarded a well testing and cleanout contract, including implementation of the innovative 'green completions' concept, to FOS Energy Services LLC. The contract was previously held by a large international service provider. Green completions is a process whereby hydrocarbons produced during well testing for new completions are routed to the production facility instead of the flare, reducing greenhouse gas emissions.



Mabrook Hamad Hashil Al Syabi

ICV Manager

Our goal is to build and maintain a highly efficient and competitive supply chain that ensures the continuity and sustainability of all OQ operations. Given the size and scope of our operations, we have the ability to help local businesses in the Sultanate of Oman grow and develop. In addition, OQ's procurement procedures and practices enhance opportunities for local SMEs to contribute to the local economy growth. This includes all of our procurement processes as we work alongside with SMEs to bridge the gap between their ability to implement the business and our supply requirements.

We, at OQ are proud to support local suppliers, contractors and manufacturers, including SMEs, long before the journey of integration, all of OQ's core assets contributed significantly to the Omani economy and society, enabling local industries and ensuring that a large proportion of the goods and services purchased would bring the desired benefits to the Omani society and economy.

OQ has committed to maximize ICV by increasing total domestic spending through its commitment to the ICV standards and following up with all contractors who have ICV contractual commitments, which must be met by the end of the projects. Contractors submit quarterly ICV performance reports, in order to be monitored and verified by the Group.

With the purpose of maximizing the ICV opportunities, the company has developed an electronic system for contractors to monitor the contractor's implementation of ICV commitments and standardize the related reports.

The contracts in OQ provide for the achievement of minimum requirements represented in recruitment and training of new Omani graduates, as well as for the support of local SMEs represented by subcontracting for local supply of goods and services, in addition to financing research and development programs.

In 2020, the value of domestic spending on goods, services and SMEs amounted (713.8) US\$ Million, out of total procurement spending of (1.001 US\$ billion), as OQ's core assets: OQ EP and OQ RE, OQ GN, OQ Methanol and OQ 8 (excluding spending on major growth projects).

The value of the ICV (ICV index) amounted to about 28% (281.8 US\$ Million) - as a contribution to the ICV of local goods and services, in addition to spending on SMEs, which amounted (89.6 US\$ Million) to obtain different types of goods and services.



OQ is a global integrated energy company, strongly rooted in the Sultanate of Oman and enjoying a powerful presence in 17 countries worldwide. Its operations and activities cover the entire value chain, starting from exploration, production reaching to marketing and distribution of final products of fuels and petrochemicals in over 60 countries around the world. This places us as one of the world's leading companies in the energy sector.



Major Activities and Services

- Oil exploration and production operations.
- Refineries and petrochemical industries.
- Marketing of petroleum products in the local, regional and international markets.
- Sustainable energy.

Achievements

- OQ is among the top 3 major companies supporting SMEs in the Sultanate. This is through SMEs Support Authority (Riyada) competition for the year 2020.
- In 2020, the value of domestic spending on goods, services and SMEs amounted to (713.8 US\$ Million) .Out of the total procurement spending of (1.001 US\$ billion), as OQ's core assets: OQ EP, OQ RE, OQ GN, OQ Methanol, OQ 8 (excluding spending on major development projects).



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In Country Value Achievements



Recruitment of human resources

The number of employees working in the company has reached about

6155 employees

Omanisation

87%

SMEs

Develop and Support SMEs

The volume of spending on SMEs in 2020 was about

89.6 US\$ Million

OQ ensures that the EPC contractors also provide their maximum support to SMEs through several related industries, including:

- Manufacturing of Packaging Bags (FFS).
- Manufacture of rubber materials.
- Manufacture of wooden loading bases.
- **A number of other services and activities for SMEs were also listed, most notably:**
- Waste management services in Block 60.
- Mobile water tanks.
- Laundry service at the main location of (OQ).
- Translation services.



Purchase of Local Goods and Services:

In 2020, the volume of purchases of local goods and services amounted about

281.8 US\$ Million

and within the year 2020 the following main areas were reserved exclusively for local suppliers:

- Manufacture of wooden loading bases.
- Manufacture of high density polyethylene pipes.
- Manufacture of electrical cables.
- Manufacture of pipes for export pipelines.
- Third party inspection and quality support services.



Training and Qualification

242

Fresh Omani graduates were trained in OQ's developmental projects within the Training and Development Programs, and in the Training for Employment Program, 512 Omani fresh graduates (certificate and diploma) holders were trained, and they were employed within the Group's developmental projects with engineering, procurement and construction contractors. OQ has also funded 109 scholarship programs for Omani students, 99 of whom are in local private colleges and 10 in international scientific institutions.



Bader Al Sariri

Head of ICV & External Affairs

In July 2020, CC Energy Development announced the production of oil barrel number 100 Million during its journey. Its role and status as a company, that aims to create sustainable value, became evident, and it was confirmed that it is a major player in the growth and development process of the sector in particular, and the Sultanate, in general.

The company focuses two-thirds of its social responsibility initiatives on the concession areas in which it operates in the Wilayat of Mahout and Adam. The ideas and objectives of its social responsibility strategy are inspired by members of the local community.

The most prominent of these initiatives is the development of the fish market in Mahout and the vegetable and fruit market in Adam, as well there is a plan to develop the livestock market. The company also supported the maintenance of the Falaj systems in Adam to support farmers and their families in the area and operate a research project on places of fresh water that the community can use in their daily lives.

The company has financed 3D printing devices and medical supplies for the orthopedic department at Khoula Hospital, as well as building a jogging track in Adam to encourage individuals to take care of their physical fitness and health.

The company contributed more than US\$ 300,000 to the Job Safety Fund.



سي سي اينرجي ديفالوڤمنت
CC ENERGY DEVELOPMENT

CC Energy Development S.A.L, is an independent company, which works in the field of exploration and production of oil and gas in the upper part and has started its work in the Sultanate of Oman since 2007. In addition to the company's huge production, the company has achieved great success in exploration operations to ensure a sustainable future for its business in the long term. The company has extensive experience in the field of exploration, development and production of oil and gas. It is one of the main shareholders in the oil and gas sector in the Sultanate. The company is committed to the long-term sustainable development of the sector by building promising Omani capabilities, empowering the national economy and supporting the local communities, in which it operates.



- Water re-injection project and a gas use project in which small quantities of gas are used to operate the project and generate electricity at its operations headquarters, and to operate electric pumps in some wells and their facilities.
- Using small solar energy systems in a number of sites in order to provide a clean and sustainable energy source in remote sites including valve stations, and in the main pipelines, as well as its new wells in the Samha and Alfa fields.
- Supporting the development of large local community companies, and CC Energy Development Company has currently concluded two contracts with Al-Sawari Company, valued US\$ 80 million.
- Total purchases of services from local suppliers reached 79%.



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In Country Value Achievements



Human Resources Recruitment

Omanization

90%

by end of 2020 with an increase by around 10% within last two years.



Fixed Asset Investment

CC Energy Development spent around

283 US\$ Million

in capital investment, this include IT, facilities, ...etc.



Training and Qualification

Around one million spent on training through the main contractors only.



Purchase of Local Goods and Services

64 US\$ Million

spent on goods from local suppliers and manufacturer through the main contractors. including the ring-fencing of some.



Local Supply of Subcontracted Services

21 US\$ Million

spent on services from local suppliers through the main contractors.

SMEs

Develop and Support SMEs

Around **1** US\$ Million

spent to SMEs. (2019-2020) in addition, some scopes have been ring fenced to SMEs only.



Technology Localization

10 domains are assigned to local suppliers (2019-2020) In addition, 79% of purchases orders are from local companies.



Dr. Hilal Hamoud Al-Sawai

ICV Team Leader

Daleel Petroleum is one of the pioneers of the In-County Value (ICV) drive held under the supervision of the Omani government. During 2020, the local companies' development roadmap was approved with an objective to provide support and develop SMEs, local community companies & large local community companies. The roadmap offers specific programmes for these companies including; development programmes, special contractual terms, reduced payment cycles and innovative solutions in collaboration with banks operating in the Sultanate.

Since 2016, the company has directed its talents and dedicated its efforts towards supporting more than 100 SMEs and entrepreneurs through a diverse set of programmes that offered guidance, and professional assistance. The ICV efforts included the Mentorship Programme (2016-2017), Tasaru Programme 1 & 2 (2018-2019), Khutwa (2019) and Istimrar Programme (2020). All of these programmes were introduced to enhance SMEs performance and equip them with the necessary tools to upgrade performance and overcome challenges.

Moreover, Daleel Petroleum plays an active role in the ICV Steering Committee Initiatives such as the Joint Supplier Registration System (JSRS). It is a platform focused on registration of suppliers, monitoring of the system and reporting ICV performance.

Daleel strives to meet its vision and mission in alignment with its responsible contribution towards the society. It is a goal that forms one of the pillars in our company. Additionally, Daleel Petroleum is placing and reviewing plans for effective contribution in society through adding value, meeting needs and enhancing prosperity.

دليل للنفط ش.م.م. DALEEL PETROLEUM L.L.C.

Daleel Petroleum LLC is one of the leading oil producing companies in the Sultanate of Oman. It is a 50/50 joint venture registered in Oman between Meزون Petrogas SAOC (Subsidiary of MB holding and Meزون Petrogas BVI (Subsidiary of China National Petroleum Corporation). The company was formed during the second half of 2002.

Daleel Petroleum is engaged in exploration, evaluation and production of hydrocarbon reserves located in Block 5, onshore Oman approximately 450 km North West of Muscat . The activities in Block 5 are governed by a Petroleum Agreement with the Government of the Sultanate of Oman.



Services:

Exploration and extraction of hydrocarbons.



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In Country Value Achievements



Human Resources Recruitment

96% Omanisation

Omanisation at Daleel is one of the highest across all administrative and technical levels in the oil and gas sector.



Training & Development

The operator has been proactively pioneering in the implementation of the training fund where an amount of

3.6 US\$ Million

has been allocated up-to-date for the Training for Employment Programmes. More than 250 people have benefited from the fund so far.



Purchase of Local Goods and Services

Daleel purchases of good and services from local vendors has reached

98% in the last 5 years.



Local Supply of Subcontracted Services

Approximately **7%** of the expenditure is being spent on local subcontractors.

SMEs

Development & Supporting SMEs

15% of total purchases on SMEs had been spent.



Ali bin Mohammad Al Lawati

Regional Managing Director

"Schlumberger has a long history in Oman, that spans over 66 years representing our commitment to the development of the Sultanate.

Continuing on this journey with our ICV program launched 10 years ago, we have many initiatives ongoing. We have built world-class facilities to serve local market and the wider region embedding Oman-made products and services throughout our supply chain. We have recruited more than 1,300 Omanis locally and internationally, half of them being young graduates. Today our Omanization is at 85%. We provide not only jobs for Omanis but career opportunities and are investing in their development. In addition, we have launched several joint ICV initiatives with our partners to support local companies in building capabilities to operate at international standards."

"We are proud to be contributing to the prosperity of the society through our ICV program and we look forward to continuing the journey towards a more sustainable economy."

Schlumberger

Schlumberger is a leading innovator and provider of technology for reservoir characterization, drilling, production, and processing to a global energy industry. The company employs 82,000 people representing 170 nationalities in addition to, products, sales and services in more than 120 countries. Schlumberger supplies the industry's most comprehensive range of products and services, from exploration through production, and integrated pore-to-pipeline solutions that optimize hydrocarbon recovery to deliver reservoir performance sustainably.

We are uniquely positioned to impact both our own environmental and social footprint and to help our customers reach their goals. Schlumberger seeks to continually increase diversity and promote inclusion in our workforce, supply chains, and communities, where we work and live. We believe that caring for people and communities is fundamental to drive better performance for all our stakeholders; this is why sustainability is at the core of everything we do.



Opportunities and Projects:

- Schlumberger's support for universities includes entering into an agreement with Sultan Qaboos University to donate and maintain software. Schlumberger's software donations to the German University of Technology coincided with the construction of the Earth Science Laboratory, to enhance the knowledge of engineers, technicians, graduate students and postgraduate students.
- Over the past years Schlumberger has donated software licenses and support to universities, amounting to more than \$7 million annually.



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In Country Value Achievements



Human Resources Recruitment

Omanization | Employment of more than
85% | **1300** Omani since 2011

- Among them are more than 650 fresh graduates of various disciplines from local and international universities and colleges. Internationally, more than 100 Omani nationals have been employed at various Schlumberger locations worldwide.
- 30% of the new engineers were hired from the internship program.



Fixed Asset Investment

Total investment of more than
73 US\$ Million in state-of-the-art facilities since 2011

- Nizwa Mega operations Base
- Artificial lift assembly, repair and (ART) center in Nizwa.
- Cameron Rusayl Manufacturing Facility



Training and Qualification

The average annual expenditure of the company on training is **5** US\$ Million

The investment in the Oman Institute of Oil and Gas amounted

6 US\$ Million

Schlumberger is in partnership with Takatof, a subsidiary of the OQ Group. This institute is a specialized center for training professionals in the energy industry and is located in the Innovation Park in Muscat.



Purchase of Local Goods and Services

Spending on the Purchase of Local Goods and Services amounted **1.2** US\$ Billion which represents 75% of the company's total spending on purchases.



Local Supply of Subcontracted Services

Schlumberger is developing capabilities by collaborating with a group of local suppliers and partners to introduce new technologies and support their development to meet international standards. In this respect, the company has entered into contracts amounting to more than **50** US\$ Million, in this regard.

- Develop local suppliers to provide services for artificial lift technology and associated tools and equipment.
- Supply of drilling equipment and related services

SMEs

Develop and Support SMEs

Annual spending on SMEs and local contractors **20%**

- Manufacture of well completion tools and equipment.
- Supplying type G cement.
- Supplying gyroscope services "Gyro".



Technology Localization

The company has a global network of more than 90 research and development, engineering and manufacturing centers through which, the company seamlessly transforms the toughest exploration and production challenges into leading technology solutions. By employing our full range of expertise, both locally and internationally, we ensure that innovation is transmitted from our technology centers to our local clients. Local companies are included in the value chain and are developed in the process.



Faisal Mohammed Al-gheilani

ICV Manager

Petrofac has a strong legacy in the Sultanate and our track record reflects in our deep understanding of industry needs and strong partnerships.

The company has generated revenues of up to US\$ 2.5 billion in In-Country Value (ICV) by working with Omani suppliers and contractors.

One of the pioneering models, of which we are proud, is Phase II of the Ghazeer project with bp.

A required In-Country Value (ICV) target of US\$ 275 million, equivalent to about a third of the project's total value, had been set. By the time Petrofac handed over the new facility, the real ICV had exceeded US\$ 311 million - about 13% more than the targeted value. Petrofac received the prestigious Best Practices Award in the (Omani Products and Services) category of the Oman Society for Petroleum Services (OPAL) Awards, in recognition of our role in the development of Dhofar Structures and Iron Industries.

This company in Salalah as part of the OQ LPG extraction project in Salalah.

In 2017, we immediately recognized the potential of Dhofar Structures and Iron Industries and worked closely with them to ensure that they were able to achieve the required volume of work for the project. Recognizing the company's potential, we initially provided equipment free of charge. We then moved on to provide engineering drawings to expand their facilities and used our extensive knowledge of the Omani supply chain to help Dhofar Structures procure new machinery within the Sultanate to ensure that various economic benefits remained in-country.

We also introduced Dhofar Structures and Iron Industries to other companies, which resulted in them being awarded additional contracts.

Petrofac

Petrofac has been operating in Oman since 1988, providing support to the energy industry in the Sultanate by designing, building, operating and maintaining oil and gas facilities, as well as developing and raising the efficiency of the local workforce and enhancing ICV, helping customers achieve more profits from their hydrocarbon resources.



Our track record includes the following:

- Engineering, procurement and construction projects
- Engineering, procurement and construction project management
- Operation and maintenance support
- Increase the efficiency of the national workforce, training solutions and efficiency through our technical training facilities



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In Country Value Achievements



Human Resources Recruitment

More than **350** Omanis

Since 2015, Petrofac has hired more than 350 Omanis, with 6 accelerated into management positions.



Fixed Asset Investments

More than **7.84** US\$ Million

Takatuf Petrofac Oman (TPO), the leading technical centre of excellence



Training and Qualification

60 Omani graduates have been

appointed and trained, 50 of them continued to work at Petrofac, until they reached the rank of engineer.



Purchase of Local Goods and Services

1217.8 US\$ billion

for such as cables, transformers and iron structures.



Local Supply of Subcontracted Services

1410.3 US\$ billion

for local, civil, construction, logistics and engineering services.

SMEs

Develop and Support SMEs

A business was awarded to SMEs worth about US\$ 140 million through the Duqm Refinery Project.



Technology Localization

30 Augmented Reality Simulator at

Takatuf Petrofac Oman institute . Provide training and competency management program for the oil and gas industry (Skills VX), interactive classes and augmented reality.



Basil Salim Hasan Macki

Board Member

STS is one of the largest private sector employers of Omani Nationals in the oil & gas sector. Over the past 10 years, STS has developed local capability to execute major Turnaround and Shutdowns Maintenance in the Energy Sector. This capability was further expanded to other GCC nations. Recently, STS has successfully completed 4,500 personnel Turnaround in Abu Dhabi for ADNOC Group.

STS is a key player in Oman, having served oil & gas operators in long term portfolio management contracts. Our Manufacturing facilities offer all specialized products in oil & gas Sector.

STS has the honour of creating the largest process vessel for PDO in its 80-year history. The 46-metre-long vessel, which is four meters in diameter and weighs 240 tones, was fabricated at our Nizwa workshop. A total of 22 Omanis were involved in the mechanical design and construction. Subsequently STS successfully delivered 49-metre-long vessel for Salalah LPG Project in Oman.

TTI, our training institute, offers various career development courses for Nationals across streams like Management, Engineering, Technical & Tradesman skills, and HSE.

As part of the ICV drive, we continuously strive to engage and award substantial share of work to LCCs and SMEs. STS works with LCCs and SMEs to enhance their capabilities in the areas of project delivery, HSE & quality. Periodic assessments are conducted to enhance organization structure, skill sets and employee welfare.

STS's ICV strategy and policy is to develop cooperative relationships with its stakeholders and industry participants, with a view to promote and support ICV in Oman. We work closely with SMEs, Ministry of Energy and Minerals (MOEM) ICV steering committee, Ministry of Commerce and Industry, OPAL, and various governmental stakeholders.

STS continues to recruit experienced Omani Nationals from the local market. We train and provide career development opportunities for Nationals recruited from Colleges and Schools.

We strengthen the vendor sector to aid various supplies and services locally. We widen the areas of services of the existing local service providers. Another important aspect that we plan to work on is, to monitor the performance of local vendors and service providers and provide the necessary support to upscale their performance. We also plan to extend STS in-house systems and proven processes to our local vendors.

STS

STS Group, headquartered in Muscat, Oman, is a pioneering multidisciplinary group, specializing in construction, fabrication and maintenance services with a strong operational presence in the Middle East. With operations that span over four decades, STS has significantly expanded its core business and value-added services in the Energy and Industrial sectors in the MENA region.

STS's capabilities encompass Civil, Mechanical, Electrical and Instrumentation disciplines with dedicated teams serving each of these discipline areas. The company stays ahead in the field as a result of mix of intellectual capital, investment in technology, local knowledge, industrial facilities, fabrication workshops as well as our large fleet of sophisticated construction equipment.

STS stands strong with over 10,000 employees in the workforce. The company operates across the GCC region and handles a diverse portfolio of projects in several areas.



Activities and Services :

- Field Development.
- Gas Treatment & Compression.
- On-plot and Off-plot Facilities.
- Construction Maintenance & Turnarounds of Refineries & Petrochemicals.
- Maintenance of refineries and petrochemical plants, major maintenance works and specialized services such as aluminum smelters, pipe cladding, cooling, and manufacturing of heavy and uncommon specialized materials.
- Static & Rotary Maintenance.
- STS also focuses on engineering, procurement, and construction, as well as maintenance services.

Opportunities

- Design & Engineering services
- Manufacturing of all process equipment in Oman



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In Country Value Achievements



Human Resources Recruitment

Engaging with over
2932 Nationals

Omanization **34.7%**



Fixed Assets Investments

Over
US \$ **100** Million
in Fixed Assets



Training and Qualification

The training is done through Technical Training Institute (TTI), a 100% subsidiary of STS, that provides trade level comprehensive expertise training in scaffolding, lifting & hoisting, HSE and other trades related to construction & maintenance.

The TTI team is currently 80% Omanised.



Purchase of Local Goods and Services

Local Procurement
US \$ **675**
Million



Local Supply of Subcontracted Services

Over **40%**

Construction work volume has been sub-contracted to LCC, SME and Local subcontractors by STS.

SMEs

Develop and Support SMEs

STS has partnered with over
50 SMEs and LCCs for various requirements.



Technology Localization

STS has two state of art technology fabrication workshops in Sohar and Nizwa that specialise in manufacturing specialised oil & gas process equipment that include heavy thick clad vessels, Special Alloys, Fabrication of Exotic material, Heat Exchangers & Process Skids. During the last 5 years, we have also exported various process equipment to various parts of the world.

We also provide HDPE Lining and Rotolining services across the MENA region. STS Group recently acquired Refrigeration Engineering International Pty Ltd. (REI), a leading Process Design and Engineering Company specialised in process cooling, gas compression, natural gas processing, and tank cooling solutions for oil, Gas and Downstream industries. Since 1987 REI has built a strong reputation in the Oil and gas industry. This strategic acquisition will further grow STS's existing businesses by providing access to additional capabilities to serve our markets more effectively.

Our Specialised Aluminium Smelter services provided across GCC include Anode Stem & Bus Bar Fabrication, Potshell Lining & Delining works, Superstructure, Cathode Sealing, Basement Cleaning, Live Bus Bar welding.

STS is acclaimed for Turnaround & Shutdown Maintenance capabilities across GCC over the last 10 years and has also invested heavily in specialised equipment.



Sultan Al Ghafri

Vice President - Oman & Yemen

At Gulf Energy, we believe that it is our duty to contribute to the economic development of the Sultanate. We constantly try to find ways to enhance our ICV through localizing jobs and building Omani capabilities in local and international markets. Our manufacturing facilities in Oman underscore our commitment to generating local value through direct investments in the Omani economy, exporting Omani-made products to the world, developing in-country expertise and local suppliers. SMEs was and still one of the real examples of ICV initiatives through dealing with more than 90 SMEs. The plan is to increase the overall spent on SMEs and localize additional services in the coming few years.

The last fifteen years have seen Gulf Energy, a local Omani company, grow from a startup to one of the largest oilfield service providers in Oman and the region.

We became the first Omani company to successfully manufacture casing accessories in Oman and export such products to the world. We are leading the change in transforming the upstream sector in Oman and actively supporting the growth of the oil and gas sector in Oman and in the region.

We are proud of all the Omani talents that have provided support to all our operations across the globe.

Our approach is an unorthodox approach, wherein, we aim to provide support to our regional operations and to our future expansion in MENA using the talented Omani workforce.

We aim to train and hire more nationals than what is needed by our operations in Oman. Last year, Gulf Energy signed a Memorandum of Collaboration with Petroleum Development of Oman to create 600 jobs for Omanis locally and internationally over the next four years. This enables us to send top talents to international markets, creating new job opportunities, supporting the career development of Omanis who will learn new skills, face new challenges and live-in new environments. This will greatly enhance their capabilities and ensure we have a solid pipeline of future leaders with global expertise and our Omanization will be above the 100%.

With the support of the Ministry of Energy & Minerals and all our clients, We have achieved 84% of Omanization which is one of the highest percentages in the country while maintaining superior levels of service quality and new technology introduction. This percentage will go higher in the coming few years because of the company initiatives. This support was key to our ability, as a local company, to become an important international player that exports Omani talents, services, products and competencies to international markets.

Gulf Energy will continue the journey of ICV by hiring & developing local talents, local manufacturing, investing in research, development & localizing the technology, developing local suppliers & supporting the growth of SMEs. We will continue contributing positively to the economic development of the Sultanate.



Gulf Energy, established in 2006, is one of the leading integrated oilfield services providers in the Sultanate of Oman. The company provides innovative oil & gas field services and solutions in the MENA region and has 4 API approved facilities that are fully equipped with the latest technologies. Gulf energy provides a wide range of services including performance drilling & evaluation services, drilling technology solutions, drilling and completion fluids technology & services, fishing & remedial services, well intervention services, production & completion services, and work-over services.

Opportunities & Projects:

Recruiting Omanis:

- Creating 600 jobs opportunities for Omanis locally and internationally over the next four years. And export Omani's capabilities to the international market.

Water Treatment:

- Gulf Energy's commitment is not only to service the demand in country, but also to provide emerging and enhanced key solutions to raise the corporate and social responsibility, especially at this critical time of energy transformation.
- Reverting to the core values of being customer concentric with a high regard to corporate social responsibility, Gulf Energy deems it of great importance to revive the highlight to ESG. Starting off with water management.
- In Oman, water is critical when come to the demand, supply, and composition because of the high reliance on water.
- Gulf Energy and its technology partners are working in providing local cost-effective solutions to bridge the gap created from limited freshwater resources and high cost of produced water treatment which will positively impact the environment here in Oman and the solution will add a lot when come to the In-Country Value.

MENA Drilling Hub:

- The vision is to localize all drilling technologies and having a state of art maintenance facility in Nizwa, being the MENA drilling hub where drilling services know how will be exported from Oman to GCC.



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In Country Value Achievements



Human resources recruitment

In 2020 during the last five year the Omanisation improved reaching up to

84%

Gulf Energy signed a Memorandum of Collaboration with Petroleum Development of Oman to create 600 jobs for Omanis locally and internationally over the next four years.



Fixed Assets Investments

In last 5 years, Gulf Energy injected more than

50 US\$ Million

- Opening the new fishing and milling tools manufacturing facility to localize the manufacturing this type of downhole tools.
- Opening SHG facility to localize the manufacturing of the cementing and casing accessories equipment in Country.
- Upgrading the current Machine shop and Gulf energy Facility in Nizwa.
- Purchase additional equipment and downhole tools to support overall Oman operations.
- Injecting new Coiled Tubing, fracturing and cementing units in the country



Training and Qualification

Gulf Energy spent more than

2.5 US\$ Million

in the country training funds and national training institutes for QHSE and operational trainings.



Local Goods and Services Procurement

The total Spent on local good and service in the past 5 years was more than

150 US\$ Million



Local Supply of Subcontracted Services

100 US\$ Million

assigned to SMEs in the past 5 years.

SMEs

Develop and Support SMEs

Gulf Energy have a systematic approach and road map to identify the opportunity gap in the market and allocate the right SMEs to deal with.



Technology Localization

Gulf Energy SAOC opened its first fishing & milling tools manufacturing facility in 2017 and the cementing & casing accessories manufacturing facility to support all Oman operations and customers. Then, in a later stage, started exporting Oman made tools to GCC region. The main objective of this investment is to boost the Omani economy by creating jobs and training opportunities and enabling custom-made solutions.



Dr/ Salim Sulayem Saleh Al Junaibi

Chairman

The local added value policy in Al Sawari International Investment Company is an essential pillar in all company's business and projects. We are always keen on contracts and purchases to be from local services and products. The company has allocated annually an amount of US\$ 220,000 for local commodities and services. The company has also registered more than 52 local SMEs as subcontractors and the business value assigned from Al Sawari is more than US\$ 22 million annually. The company seeks to achieve significant strides in all standards and bases that were specified in the ICV strategy, declared by the ministry, especially in Omanization of jobs and national cadre training.

As one of the Super local community contracting companies that currently operate under CCED umbrella, we aspire to expand with the backing and support from the other major companies that operate in oil & gas and logistics sectors, to enhance and increase business contacts, which will achieve growth, progress and competition for local companies.



Al Sawari International Investment Co. is one of the six Super local community contracting companies that was established by the government in partnership with citizens to provide services in oil & gas and logistics sector.



Featured Services

- Support services
- Heavy lifting services
- Heavy equipment
- Carriers
- Logistics
- Vocational training
- Mechanical engineering
- Civil engineering
- Electrical engineering
- Hardware engineering



371

Contributor from Wilayat of Mahout and Duqm in Al Wusta Governorate.



93%



National experiences are work in.



80

US\$ million size of business since 2017



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In Country Value Achievements



Human Resources Recruitment

More than **206** permanent and temporary employees. More than US\$ 23 million has been expended to recruit 93% Omanis human resource.



Fixed Asset Investments

More than **100** US\$ Thousand dollar purchases of machinery and construction of warehouses.



Training and Qualification

More than **220** US\$ Thousand has been allocated to vocational training, safety and ISO system application.



Purchase of Local Goods and Services

More than **25** US\$ Thousand has been allocated to purchase Omani goods and products and services.



Local Supply of Subcontracted Services

More than **52** SMEs that its business is assigned from Al Sawari company with more than US\$ 22 million.

SMEs Develop and Support SMEs

The company support SMEs by qualifying them in the field of health and safety, distributing safety equipment to its employees, and provide vehicles with tracking devices and IVMs.



Technology Localization

Develop Uber IT system as (Transport management system)TMS
OTO registration management platform/ data base management and registration of all vehicles/ equipment owned for Omanis and compliance department.
The transportation management system (TMS) will improve scheduling and monitoring of all land transportation operation, cut costs and facilitating operations.



Dr. Aflah Al Hadhrami

CEO

In-country value is one of the main objectives that AlShawamikh Oil Services (AOS) is working on, which undoubtedly plays a vital role in enhancing the business and human capacity and stimulating the productivity of the Omani economy.

AOS supports the ICV by supporting local products and services, creating investment and employment opportunities for Omanis and developing their skills to enhance the level of production by promoting the components of the national economy and enhance the efficiency of the national forces.

The initiative to Omanise the 'Oil Pipelines Maintenance Project' is one of AOS's significant achievements in the ICV. AOS Omanised the leadership, supervisory and specialized positions in the project, with an Omanisation rate of more than 77%.

AOS is also working jointly with the Ministry of Labor to recruit new graduates through a set of initiatives to develop and up skill Omani youth and creating opportunities fit with their aspirations.

Thus, we are exploiting all capabilities to support and develop the Omani human resources of all categories, which are the main capital. In addition, we continue to enhance the local services and companies. We are fully committed to serve our clients, shareholders and the communities we serve.



الشواميخ للخدمات النفطية ش.م.ع.م.
AlShawamikh Oil Services SAOC

Alshawamikh Oil Services SAOC is a joint stock shareholding company, it is a 100% Oman-owned Company, it was incorporated in 2011 with around 1,600 shareholders. AOS was established based on Royal Directives of the late His Majesty Sultan Qaboos bin Said, May God rest his soul in peace. to create investment opportunities for people living in the oil concession areas in the Wilayats of Bahla and Adam in the Dakhiliyah Governorate. AOS's main objectives are to enhance the In-Country Value (ICV) in a manner that serves the national objectives for which it was founded.

AOS has succeeded in achieving several achievements, including celebrating the Lost Time Injury (LTI) in several projects is Zero LTI 0 as well as obtaining ISO certificates in Quality, Environmental Management, Occupational Health and Safety,

- ISO 9001
- ISO14001
- ISO 45001



Services

- Logistical support and operations support services.
- Well maintenance services.
- Production Service.
- Pipeline maintenance.
- Water treatment services.
- Maintenance of generators and valves.
- Maintenance and lifting of well platforms.
- Renewable and sustainable energy.



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In Country Value Achievements



Human Resources Recruitment

More than **650** employees
Omanisation **74%**



Fixed Asset Investment

Spending over **40** US\$ Million

in fixed assets investments

- Hydraulic Torque Wrench
- IT Equipmen
- Slick line well pulling unit services



Training and Qualification

Spending over **1** US\$ Million

On training, qualification, health, safety, environment and technical training basic and behavioral skills training.



Purchase of Local Goods and Services

Spending over

60 US\$ Million

on transportation, fuel and lubricants and other Consumables.

SMEs

Develop and Support SMEs

Support SMEs by assigning various projects and services to local companies in the oil and gas field, whether through direct contracts or business incubators.



Technology Localization

We strive to empower the latest digital solutions and systems that achieve an effective and highly efficient work environment for the Company. For example: AEGIS System in the field of health, safety and environment, which is used to identify and assess risks, as well display detailed reports and interactive visual presentations.

Mena ME System: To manage personnel and, human resources, and measure productivity.

DOCSTAR: Supply chain management.



Saif bin Said Al Darai

Member of the Board of Directors

Seeh Al Sarya Engineering Company seeks to be one of the leading institutions in the field of engineering and engineering services. The aim is to provide its clients with the highest standards of quality, health and environmental safety and to constantly improve work performance, keeping pace with current developments in the global oil and gas market, modern technology and implement the plans and strategies carried out by the Sultanate, both economically and socially, in this field.

The company strives to provide the local added value through the development of the cadre in various work skills, the development of human capabilities and the stimulation of productivity in the Omani economy, and investing in international technology to manufacture local products of the highest quality, increasing local sources of goods and services according to priority. We always strive to support local community contractors and SMEs by engaging and developing them and providing training and employment opportunities, and employment-related training programme, supporting local community and youth initiatives.



سيح السرية للهندسة ش.م.م.
SEEH AL SARYA
ENGINEERING L.L.C

Seeh Al Sarya Engineering (SAS) is one of the leading local community companies in the field of oil and gas engineering. It was incorporated in 1997. Seeh Al Sarya Engineering LLC (SAS) is an ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 Certified Company.



Services:

- Engineering, Procurement and Construction.
- Mechanical maintenance.
- Civil projects and capabilities.
- Electrical capabilities.
- Control and automation.
- Pipeline supplies.



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In Country Value Achievements



Human Resource Recruitment

During the past three years **1200** employees

Omanization | With an average salaries of more than **5** million Omani Riyals during 2020.

43%



Fixed Assets Investments

More than **15** million Omani Riyals have been invested to upgrade the company's services, develop capabilities and raise efficiency



Training and Qualification

1100 employees were trained at a rate of 9,480 training hours during the past 3 years

at a cost of more than **3** million Omani Riyals.



Purchase of Local Goods

The value of Purchasing Local Goods and Services reached

52 million Omani Riyals for Omani products.

The value of purchasing imported goods and products reached

23 million Omani Riyals through Omani companies.



Services Provided to SAS by Local Companies

39 million Omani Riyals during the last 3 years

Those services include providing accommodation , nutrition, maintenance, office services, cleaning and health services

SMEs

Develop and Support of SMEs

SAS supports SMEs regarding the services related to equipment rental, civil works, piping connections and other services, with an amount of more than

5 million Omani Riyals during 2020



Training for Employment Program

SAS provided training for employment program for various certificate holders,

400 trainees during the past three years.



Dr. Tahir Al Kindi

Founder / Chairman

RAY is particularly proud of its ICV implementation, which had a positive effect on both, community and economy in overall. The company has invested in one of the world's largest welding institutions, in its first two years, it has trained more than 400 Omanis and had witnessed a remarkable growth in the number of Omani employees, Some of them have opened their own workshops and became entrepreneurs in their acquired professions. We conclude from this that the local value has a greater impact on the economic level, especially in the oil field industry. The oil field should not only focus on the oil industry in enhancing the ICV, but also expand the business to include tourism, transformative industries, and logistics services.

In the context of competition across the international markets, and the promotion of Omani talents abroad, we believe that some of our services have reached maturity and are managed entirely by Omanis, which allow us to carry out these businesses in other countries. RAY International Group is committed to achieve the standards of the ICV, and the figures attest to these achievements. More than 56 million Omani Rials were invested by the company in a number of fixed assets. It has achieved Omanisation up to 57%. The total number of Omani employees has surged 984 in various disciplines. The company policy in supporting SMEs is clear, as we were able to support more than 100 SMEs and have fully incubated 12 of them. Besides that, our strategy in the next stage is to increase these numbers gradually.

Rukan Al Yaqeen International Group, with its vast experience in oil and gas industry and the logistic sector, is well aware of the importance of achieving the ICV in all of its businesses, as this has massively direct impact on the growth of the country, development of the economy, support to the employment and prosperity of the national products.



Rukan Al Yaqeen International Group L.L.C

RAY International Group is a well-established trading company based in Muscat, Sultanate of Oman. It operates in energy and technology, engineering and Construction, Well and Cable Services, Vocational Training, skills development and insurance services. The development of the group over the years is attributed to the main success factors, embedded in the slogan "innovation always" & "Safety First as a Lifestyle". The group was established in 2005. Currently, it consists of four companies operating individually under a centralized leadership umbrella, which is known as Rukun Al Yaqeen .



Opportunities

Ray International Group plans to create an extraordinary significant digital presence in the country and is striding further towards developing Omani youth and targeting to engage them intensively in machine learning area, artificial intelligence, mining and information recording systems (BLOCK CHAIN).

Project

In 2012, Ray invested in establishing a unique institute that contains oilfields with live simulation systems, wire-lines, practical welding booths, electrical and mechanical workshops and construction scaffolding. Ray provided this institute with favorable opportunities to train thousands of Omanis who have directly joined work positions in reputable companies.



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In Country Value Achievements



Human Resources Recruitment

The total of the Omani employee **984**

omanization **57%**

Oil & gas sector	86%
Energy sector	39%
Training	46%



Fixed Asset Investment

56,832,509.00 Omani Rials

Land, construction, equipment and tools, light and heavy vehicles, most investment is in equipment and tools.



Training and Qualification

104279 hours of training for Omanis in the last two years.

- Training and Qualification done on:
 - 33% Electricity technique
 - 7% Transportation and loading
 - 19% Metal welding
 - 13% HSE
 - 6% Product QAQC
 - 2% Cable connection



Purchase of Local Goods and Services

27,177,031.0 Omani Rials

Have been spent on local goods and services in the last three years.



Local Supply of Subcontracted Services

30,646,439.63 Omani Rials

Have been spent on services including Engineering consultancy, civil installation work, electricity, instrumentation, mechanical installations and food and accommodations.

SMEs

Develop and Support SMEs

12 SMEs have been developed in the last two years, and more than 100 SMEs have been fully supported by Ray's Company program and more than 100 SMEs have been supported by sub-contract to our domain.

The three major developments in SMEs are 33KV OHL, electrical equipment installation and laying of the fabric optic cables.



Technology Localization

Four basic techniques were localized by Ray Company in the sultanate:

1. Wireline Unit.
2. Direct line technology.
3. Drilling rig.
4. Concrete columns.



Ali Salim Saleh Al Junaibi

Chairman

Since the establishment of Al-Ghalbi International Company, it has worked on applying the ICV in all projects and businesses, as it has achieved high rates of Omanisation and distinguished indicators in the field of training and qualification of many national cadres, and we have strengthened our purchases of local products or international products that have agency with local suppliers. We have also invested capital assets through the establishment of (Duqm Salts) factory, which supplies the oil and gas fields with local industrial salt as an alternative to the imported salt. Also, we have acquired some properties, which add to the company's assets and contribute to the national economy. We have also imported some international products to be localized in the market and we have supported a number of SMEs that have now attained maturity.

It is time to apply the principle of ICV to all government and private sectors, so that a large part of the money will be circulated within the national economy, and it will create multiple job opportunities. Hence, we will see SMEs expand their services and products and grow locally. We will contribute to the localization of technology in the Sultanate. Most countries have become dependent on their local products when the global supply chain has been interrupted due to the COVID-19 pandemic.

When companies invest in local value-added projects by establishing factories, bringing technology, employing national cadres, and supporting SMEs, major companies and government companies must give priority to the local products and give them preference so that they to grow and continue. With respect to renewing their existing contracts, I propose it to be done through direct assignment. In this case, I believe that there is no need of passing through tenders or competition with foreign companies or even local emerging companies.

As one of the local community companies, we have had and still have a prominent and remarkable role in supporting the growth and development process in the economy, including other local companies. Therefore, local companies must be protected so that they do not draw back their performance and then disappear. The decline of their business and the decrease in the percentage of contracts assigned to them will undoubtedly affect many aspects such as employment, support for the domestic product and support for SMEs, which are the pillars of Oman's vision 2040.

الغالبية العالمية للهندسة والمقاولات ش.م.م
AL-GHALBI INTERNATIONAL ENGINEERING & CONTRACTING LLC



Al-Ghalbi International for Engineering and Contracting is proud to have completed 23 years of excellence and achievement in providing engineering services to the oil, gas and energy sector. The company was established in 1998, by a national competent team, possessing vast experience in management and working with a vision to enhance the company's role in national development. The company employs about 633 employees, with 46% Omanization. The national cadres occupy leadership positions in the administrative, professional, technical, financial and service departments of the company. During its tenure, the company completed several projects in the field of laying and maintaining oil and gas pipelines in various fields and concession areas in the Sultanate, and obtained certificates of excellence in performance.



Services

- Establishment of integrated electrical, engineering and mechanical stations for oil and gas pipelines.
- Maintenance and ensuring the intactness of the pipeline, including corrosion.
- Create a tight lining for the activities of high density polyethylene HDPE.
- Providing qualified specialized staff for support services in the oil and gas fields.
- Technical monitoring of corrosion in oil and gas pipelines.
- Repair of the pipeline valve using a number of materials and techniques provided exclusively by Al-Ghalbi:

1. Oxifree: coating to protect metal components.
2. Stopaq: outer layer with specific specifications.
3. Epoxy Grout Sleeve.
4. Corrosion & Cassock Monitoring.



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In Country Value Achievements



Human Resources Recruitment

The number of employees in Al-Ghalbi Company and its subsidiaries has reached to approximately 750 employees, with an Omanization rate exceeding 46%, with total salaries up to US\$ 16 million annually.

Omanization in senior and leadership **98%** | Omanization **46%**



Fixed Assets Investments

Over **50** US\$ Million

- Purchase of equipment and machines.
- Building specialized manufacturing workshops.
- Equipping stores.
- Building a motel (workers' accomodation) in the oil concession areas.
- Building a specialized factory (Duqm Salt) to provide industrial salt used in oil and gas.
- Building multi-use real estate assets.



Training and Qualification

2019-2021 **3** US\$ Million

an average of 150 employee annually obtain accredited certificates that raise their efficiency in their specialities

The company conducts an annual training program for a number of employees in various specializations related to business and projects, especially in the technical fields and occupational health and safety

- Technical training
- Training in administrative and financial affairs
- Training in accordance with leadership laws in the oil concession areas



Purchase of Local Goods and Services

27 US\$ Million

in the past three years (2019-2021)

As well the volume of spending on services provided by local companies during the past 3 years amounted to approximately US\$ 1.5 million.



Local Supply Of Sub-Contracted Services

The number of local suppliers and agents registered with the company reached approximately 63 suppliers, with the value of purchases from them in the past three years amounted approximately 4.5 US\$ Million.

SMEs

Develop and Support SMEs

reached nearly **7** US\$ Million in the past three years (2019-2021)

During its tenure, the company has developed a number of SMEs, by supporting them with annual contracts in a number of specialized services:

- advertising and promotion.
- information technology.
- food and hospitality.
- logistics and transportation.
- human resources and manpower.



Technology Localization

The company is working to attract advanced technology used in the oil and gas industry, and we aim to localize it whenever we see that there are great opportunities for it. For example, we use High Density Polyethylene (HDPE) technology.

Tight Fit
Oxy Free

The most important thing we have done is the establishment of a specialized local factory (Duqm Salys) for the production of Industrial Salt, which the Sultanate used to import.



Hamad bin Hamood Al Ghafri

Chairman

Looking back to 1975's, I still remember Hamdan Group starting business with only one office located in Salalah as if it was yesterday. Hamdan has moved through monumental stages & taken extra-ordinary strides in growth, and expansion from its inception. Today, the Group is expanding into all major sectors of the economy and varied geographies.

Hamdan Group was able to achieve this growth through a clear vision and a dynamic team, to make the company one of the major players in the Sultanate's economy.

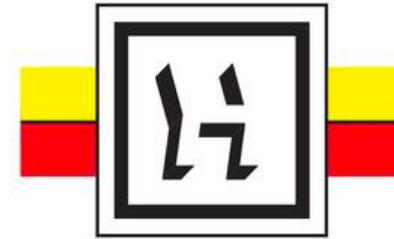
The core of this success always lies in our winning corporate culture; that promotes growth and encourage innovation; and in our customer oriented strategy, that is guided by quality, creative solutions, and a diligent search for better ways to serve our clients.

We have faced many challenges and I am sure to continue confronting it, but the important thing is that we stick to our position when the challenges are enormous and to overcome them successfully, in my opinion this what is called the journey to excellence.

Maybe the biggest challenge I see today is the digital era we are living in. In my opinion, it is characterized by increased globalization and customer-orientation. Companies around the world are now being encouraged to think aloud and to be more creative to meet and exceed the expectations of demanding customers.

We celebrate three decades of operations which has highly resonant impact . We celebrate the winning bids, and our team, which always succeeds to exceed all expectations. We honour our commitment to quality, our great participation in the community, and our continuous investment in technology.

Above all, we celebrate the lively spirit of innovation that proves to be the binding thread that makes Hamdan group what it is today.



مجموعة حمدان التجارية
Hamdan Trading Group

Hamdan Transport Division is the oldest subsidiary of Hamdan Trading Group LLC and has seen a 45 year history supporting the Omani and GCC economy, It was founded by the owner and chairman Sheik Hamed Bin Hamood Al Ghafri in 1975. HTD has a long and huge portfolio that boasts recognition, particularly in oil and gas sector and it continues to drive forward.



Opportunities

Oil and gas sector in the Sultanate of Oman considered as one the most important productive sectors, Concession areas such as Nimr, Fahud, Mukhaizna...etc can provide great opportunities for Hamdan Transport.

Project

Oxy Mukhaizna Company- A big investment to support Rigs transportation along with construction of new camp and complete workshop/shop. The first excavator transmit took place on 5 th April 2015 leading to 5 years TRL/LTI free operations. and on 5th April 2020 the company completed 1085 excavator transmit that took 3127446 working hours completely free of recordable accidents which is a great achievement .



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In Country Value Achievements



Human Resources Recruitment

more than

100

Omani employees



Fixed Asset Investments

7.4 Million Omani Rial

1. Buying a fleet for heavy task.
2. Build a fully furnished residential camp facility in Mukhaizina 2015-2016.
3. Purchase of main engines cranes and forklifts.



Training and Qualification

Training and QHSE that what we are striving for in the last 5 years, we have achieved ISO 9001-14001 and 45001 accreditation, and we wish to be an industry leader in Safety /environmental fields. As a professional transporter we aim to provide professional trained drivers to deliver all cargo safely.



Purchase of Local Goods and Services

3.5 Million Omani Rial annually.

the company is contributing its tangible role in the promotion of local goods and services by procuring local goods and services to support local industry.



Local Supply of Subcontracted Services

Supports local business entities by ensuring maximum possible business opportunities are provided to them.

SMEs

Develop and Support SMEs

- Supporting SMEs by providing them business opportunities on regular basis.
- Supporting SMEs is always on our priority list.



Technology Localization

- The company invested in implementing the latest advance version of Enterprise Resource Planning(ERP) system, to support and add value through institution.
- The company believes in innovation and technology and promotes an organized modern work environment.
- We update ERP system related system on a regular basis in accordance with the technological developments



Mark Dean

General Manager

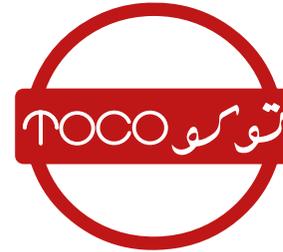
The Oman Construction Company, known locally as "TOCO" was established in 1965 and has played a leading role in the development of Oman's resources.

Our core business focuses on Construction, oil & gas services, logistics and specialised manpower services with our core values as "Trust, Openness, Creativity and Opportunity".

We recognise the importance and the part that we can play in the development of all our employees so they can reach their full potential. We currently employ around 950 Omani Nationals which equates to 46% Omanisation across the company. Our work in diversifying the skill set of our Omani workforce has produced a steady increase in the percentage of technical manpower. This has been aided by our vocational training initiatives which have benefited hundreds of young Omanis.

Our strong focus in developing the local supply chain has benefited several LCCs and SME's. We are currently assisting a number of SME's to reach their full potential through TOCO's SME Development Initiative. Our local goods and service spend over the last five years has reached US\$ 45 million with a Capital investment of around US\$ 36 million.

As we look to the future, we are committed to seeking new and smarter ways of working with less impact to the environment and leveraging ideas from the next leaders of our business, ensuring they receive suitable competency training and development and most importantly, support to grow into their chosen roles.



The Oman Construction Company LLC (TOCO) is one of the oldest oil & gas service providers in the Sultanate of Oman. Established in 1965, TOCO is proud to have built the first flowline, the first pipeline, the first tank farm, the first production station, the first overhead power line and performed the first rig move in Oman.

TOCO delivers a wide range of services covering the full life cycle period of industrial assets. TOCO's service portfolio covers fabrication, construction, maintenance, turnarounds, rig moving, specialist logistics and support services for oil, gas, petrochemical, chemical, utility and industrial facilities.

TOCO operates both long-term framework contracts and one-off projects covering greenfield, brownfield, maintenance and turnaround scopes. TOCO's philosophy is to associate with their customers as the 'Trusted Partner' on long-term basis and be a 'One-Stop-Shop' within their chosen areas of business.

Opportunities:

We see a big opportunity in creating a pool of skilled resources locally by equipping the next generation of Omani workforce with the skills that are in demand by the key industrial sectors.

We recognise the importance and the part that we can play in the development of all employees to reach their full potential and in particular in alignment with the Oman Vision 2040 - "Moving Forward with Confidence" which targets 40% of all jobs in the private sector to be undertaken by Omanis. We aim to act as a role model for our segment in this mission.

To this end, we are committed to progressively increasing the level of Omanis within our workforce from both a tradesmen and management perspective, additionally, we will also take positive steps to ensure that the proportion of our Omani employees includes a fair representation of females in all areas possible and to offer guidance and support to Small & Medium Enterprises (SMEs) and Local Community Contractors (LCC) where we can.

We are proud to have been associated with Opal since 2002 and look forward in continuing to work collaboratively with them to meet the goals of our company and the Country as a whole.

Project:

As the world moves to a more sustainable, 'paper free' culture, TOCO is rapidly embracing digitalisation across all its operations. Various digitalization initiatives which are being implemented within our operations include amongst others, an 'Online Competency Assessment System', COVID19 Temperature Recording App and Health and Travel e-Questionnaire.

These digitalisation initiatives are expected to save over 220,000 A4 sheets of paper annually. Apart from this, the electronic processing system has already saved nearly 460 man-days versus conventional methods.



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In Country Value Achievements



Human Resources Recruitment

Over the past five years, we have recruited, trained and developed

1,402 Omani nationals

many of whom remain with us and some in more senior positions to this day.



Fixed Asset Investments

Invested nearly **36** US\$ Million between 2013-2020



Training and Qualification

We have provided on-job training to more than

120 Omani nationals

to become tradesmen (Welders, Pipe Fitters, Fabricators, Riggers, Grinders, Scaffolders) to work in various oilfield locations.



Local Supply of Subcontracted Services

Goods worth over

31 US\$ Million

have been purchased during the past five years, locally.



Local Supply of Subcontracted Services

Nearly **14** US\$ Million

worth of services were locally sub-contracted in past five years

SMEs

Develop and Support of SMEs

As part of our ongoing contracts, we are implementing SME development programmes. For example, through one of our ongoing long-term maintenance services contracts, we are carrying out structured SME development of two local companies namely OPAMCO and Al Qaim. We have also supported North Sea Petroleum to deliver HDPE lining services for one of our client in Oman North.



Technology Localization

We continue to seek new ways of working in a global business context which is rapidly moving towards digitalisation utilising our local IT team. We are trialling several new technologies with the aim to digitize as many processes and documents as we can. To aid this process, our Omani IT team is receiving the required training to ensure that they acquire necessary expertise in these emerging technologies. This investment in our teams will provide the next leaders of our business with the latest tools to meet our operational demands.



Musallam Al Maashani

CEO

We, at Al Baraka Oilfield Services SAOC, are proud of our achievements that contributed to increasing the ICV in the oil and gas sector. As the company believes in the importance of supporting everything manufactured within the Sultanate, in order to contribute to the economic growth of national economy, our local goods purchasing and services have achieved comfortably high levels. Additionally, the company is strategically planning high efficiency training of Omani personnel to conduct major leading tasks in various areas, which meet the requirements of the Oil & Gas sector in future. We continue to emphasise our support to SMEs and local companies in our growth policy. We have awarded several contracts to them, so that they are able to compete within a wider business environment. As far as localisation of industries, we have contributed in finding the ability to provide plenty of job opportunities for the Omani cadre on one hand, and on the other, we are planning to contribute towards enhancing manufacturing technology sector in the Sultanate. In cooperation with MADAYN in the Marmul Industrial Complex, we intend to establish mechanical and electrical component manufacturing workshops, thereby creating job opportunities for Omani cadres in Oil & Gas sector.

The company has significantly contributed in developing the capability of local contractors specialized in Civil and Mechanical areas of expertise. We are developing design consultants and finding opportunities for them to participate in engineering design of Chemical Injection and Runib South Water Injection projects. As a part of its desire to contribute towards corporate social responsibility, the company has provided local development support e.g. School Excellence Award, supporting SQU students with grants, supporting the local hospital with COVID-19 related PPE/equipment and organizing a heritage festival in Wilayat of Shaleem et al.



Registered in 2011, Al Baraka Oilfield Services is a Super Local Community Contractor (SLCC) representing around 1,200 Omani shareholders in the Wilayat of Shaleem and Al Halaniyat Islands in Dhofar Governorate. Al Baraka has projects - completed and ongoing - across the two divisions, Hoist Operations and Off-Plot Delivery Contract (ODC) services. Starting with Petroleum Development Oman (PDO) as the principal client, Al Baraka has since grown its customer base to include other Oil and Gas industry operators.

In South Oman, Al Baraka operates multiple hoists in the provision of well services, notably with regard to workovers extending from Bahja to Nimr area. Commencing operations with just two hoists, this SLCC has grown exponentially over the past decade. This year the company plans to induct two new Hoists in to the Rig workover business. The company has achieved more than 110% operational efficiency while maintaining a superior degree of operational safety as evident from its more than 5-year LTI free record. The Hoist division has attended 1050 wells till end 2020 and employs a workforce of around 250 people, 90% of which is Omani. They include significant numbers of Omani candidates from the concession area who have been trained to become roustabouts and floormen. In addition, Hoist division provides technical support to several international companies across Oman.

Equally commendable is the performance of Al Baraka's ODC division. The company has constructed wellhead locations and engineering, construction and commissioning of all mechanical, electrical, instrumentation and civil location matters related to well pad location and flowline construction, primarily in Bahja and now in Rima. While maintaining a more than 7.9 million manhours LTI free record, this division has undertaken more than 820 km of flowline welding and over 260 well hook-ups, completed dismantling of 212 km of bare CS flowlines/hookups, and the design, construction and pre-commissioning of more than 345 wells with a manpower strength of over 740 including sub-contractors. The company is currently managing several small-scale EPC projects and expanding its area of flowline operations in the southern part of Oman.



Achievements

- The Rig Workover division prepared over 1050 wells till end 2020, employing around 250 employees, more than 90% of them are Omani workforce. In addition, Well Services section provides substantive logistical and accommodation support to a number of international companies across Oman.
- The company has constructed wellhead locations and engineering, construction and commissioning of all mechanical, electrical, instrumentation and civil location matters related to well pad location and flowline construction, primarily in Bahja and now in Rima. While maintaining a more than 7.9 million manhours LTI free record, this division has achieved the design, construction and precommissioning of more than 345 wells.



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In Country Value Achievements



Human Resources Recruitment

Until Q1, 2021 the number of staff in the company was about

731 employees

and by the end of the year, the employee strength will increase to 800

Omanization

60%



Investments

The company has developed a strategy to invest in fixed assets in future, thereby achieving diversity and sustainability through:

- Purchasing two new Workover Rigs to expand its Well Services portfolio.
- Expansion in engineering and construction works to cover other oil producing assets.
- Entering into business agreement with reputed international companies.
- Entering into Renewable Energy arena through introduction of Geothermal projects.
- Establishment of workshops manufacturing mechanical and electrical devices for Oil and Gas industries
- Investing in SAKAN Facility Management Company.

SMEs

Develop and Support SMEs /LCCs

There are 26 contractors from SMEs and 24 contractors from Local Community Companies registered by way of annual contracts.



Local goods and services

about **9** million Omani Rials

In 2020, the value of company's local products and goods purchasing amounted approximately to about 9 million Omani Riyals. Al Baraka is continuously striving to increase purchasing and services of Omani goods as well as enhance and develop local sellers, while whilst increasing the Omanisation of contractor work force.



Training and Qualification

Al Baraka provides comprehensive employment training in various technical categories, ranging from Civil and Mechanical Permit Holders, Location Design Coordinators and Documents Controllers. In addition, Omanis have been trained within the company as Purchase Specialists and Health, Safety and Environment specialists. Further, there are graduates who are undergoing internship training to take over suitable positions in the company. Onsite Supervisor Training Programme is on the cards aimed at increasing this specific skill set amongst Omani candidates.



Technology Localization

Al Baraka has future plans of localizing drilling equipment and machines manufacturing which are used for maintenance works of oil and gas wells.



Nasser Faqeer Al Balushi

Managing Director

Since 2009, we have worked closely with PDO in the field of Road Safety and Defensive driving, where we had a pivotal role in reducing road traffic accidents in oil concession areas. In terms of an Omanization, we have achieved 83% in various functional aspects. Therefore, we have spent more than 1.7 million OMR in Recruiting, training and developing Omani employees. It is our responsibility to develop and qualify our personnel experience. Furthermore, we have adopted a 100% purchasing policy whereby all of the company's goods and services will be provided by local Omani companies. Accordingly, we have spent in purchase 1.6 million OMR.

We, at Sheida, are committed to support and enhance our role in the development of ICV, with Oman's approach (a Renewed Renaissance) and Oman's Vision 2040 towards renewable energy. Therefore, we headed towards establishing a facility for the production of Photovoltaic (PV) Solar modules with a capacity of 50 MW in Sohar Industrial City (Madayn), with a total investment of 1.5 million OMR. The project will soon see the light and it will bring great value to the local economy, in terms of technology and knowledge localization, which will help in creating around 100 job opportunity initially and the number will grow with the planned expansions. Moreover, the company project plan include support and develop of local SMEs, which will help in localizing the production of the project related components. We are working to strengthen our role by leaving a mark on the Sultanate ICV.



Over the past number of years, Sheida International Co LLC has become a leading provider of Road Safety solutions and Safety products across Oman and GCC bound with a vision to contribute positively in the development of Oman's economy by creating business opportunities driven by localizing knowledge and technologies used in the field of Road safety and Defensive driving and also providing specialized products and services in this field. The Road Safety Standards Body (RSSB) was formed in July 2009, when Sheida International Co. LLC was awarded the contract for the provision of Road Safety Enforcement and Defensive Driving Standards Services by petroleum Development Oman (PDO). In 2020 Sheida International Co. LLC was awarded a new contract by the Omani Society for Oil Services OPAL to manage the OPAL Defensive Driving Standard Body (DDSB). It is a contract, that covers the entire energy sector operators. Contract that covers the entire energy sector operators.

In 2019 the management made a decision to enter in the renewable energy industry by introducing innovative solutions in the field of renewable energy. Solar Energy was identified as a starting point in the industry and in 2020 a turnkey contract was signed with an international leading company that offers a complete range of technological solutions in the renewable energy field and is involved in the planning and in the realization of manufacturing equipment and automation in order to supply a complete Solar PV Module Production Line, including a complete know-how transfer, that will contribute significantly in the sustainable growth of the country.



Opportunities:

By 2030, renewable energy projects are expected to produce about 30% of the total electricity needs. The opportunity to localize solar photovoltaic and other renewable energy technologies will bring great benefits to the country, where the value of the renewable energy market would be worth more than 1,512.3 US\$ billion.

There is an opportunity to localize the manufacturing of raw materials used in the PV solar modules production market, which is worth more than 20 US\$ billion.

Projects:

PV solar modules Manufacturing Facility

Location: Sohar Industrial City (Madayn)

Total area: 5625 m²

Production capacity: 50 MW (Expandable to 150 MW)

Products: Polycrystalline range panels, Mono crystalline range panels, Bi-facial Panels, Hetero junction Panels, Half-cut cell Panels.



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In Country Value Achievements



Human Resources Recruitment

1,684,101 Omani Rial

Direct recruitments

83% Omanization



Fixed Asset Investment

1,222,504 Omani Rial

1. Machinery
2. Vehicles
3. The factory
4. Equipment



Training and Qualification

33,085 Omani Rial

1. PV modules manufacturing Complete know how transfer Contract.
2. Internal training and development.
3. Qualification and training of employees in the field of HSE.
4. Qualification and training of employees in the field of Defensive Driver training and assessment.
5. Qualification and training of employees in the field Road Safety.



Purchase of Local Goods and Services

1,426,998 Omani Rial

1. Exploring ways to localize some raw materials for manufacturing photovoltaic solar panels.
2. Office equipment and materials.
3. 100% local operating merchandise and services.



Local Supply of Subcontracted Services

210,000 Omani Rial

1. Contract for the establishment of a facility for the production of Photovoltaic (PV) Solar modules in Sohar.
2. Supplementary service contracts.
3. Consulting services contracts.

SMEs

Develop and Support SMEs

178,036 Omani Rial

1. Consulting Services.
2. IT Solutions.
3. Services Contracts.



Technology Localization

425,000 Omani Rial

1. Complete Turn-key contract with Ecoprogetti Srl (Italy) to supply entire Photovoltaic (PV) Solar modules Production Line.
2. Localizing the technique of manufacturing Photovoltaic (PV) Solar modules.



Hamid Al Mahmoudi Al Derei

Deputy Managing Director

Anwar Fahud Projects International Company seeks to provide the best standards of quality, health and safety. Our efforts are always directed to keep abreast of current developments in infrastructure and oil and gas market. We make sure to keep pace with modern technology, and strive to implement plans and strategies, on which the Sultanate is economically and socially dependent. The company strives to provide ICV through the development of job cadre in various work skills, human capacity development and stimulating the productivity of the Omani economy.

We aim to bring modern technology with the highest quality in oil and gas fields. We are constantly increasing local sources of goods and services according to priority. We always strive to support local community contractors and SMEs through partnerships and various developmental initiatives, providing training and employment opportunities, training program associated with employment, supporting local community and youth initiatives.



أنوار فهود الدولية للمشاريع ش.م.م
ANWAR FAHUD PROJECTS INTERNATIONAL LLC

Anwar Fahud Projects International LLC is one of the leading local contracting companies in the field of civil construction, infrastructure works, oil and gas engineering. It was established in 1997. Anwar Fahud Projects International LLC is among the companies that have obtained ISO 9001: 2015 and ISO 14001: 2015 certificates and the Occupational Health and Safety Management Certificate 45001: 2018.



Services

- Engineering and civil constructions, purchase, civil and engineering maintenance.
- Design and construction asphalt roads, including roads, bridges, tunnels, and maintenance.
- Ground levelling works and drilling sites.
- Civil projects.
- Fence and railing works.



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In Country Value Achievements



Human Resources Recruitment

During the past three years

480 employees were employed, of whom 45% were Omani

with a salary approximating to more than 900 thousand OMR during the year 2020.

Omanization
37%



Fixed Assets Investments

More than

5 million Omani rial

were invested to raise the level of the company's services, to develop capabilities and to raise efficiency.



Purchasing Local Goods and Services

The value of local purchasing goods and services amounted to

8 million Omani rial

The purchase value of imported goods and products amounted

1.2 million Omani rial through Omani companies.

SMEs

Develop and Support SMEs

The company supports SMEs in services related to equipment rental, civil works and other services, with an amount of more than

1.5 million Omani rial, during the year 2020.



Recruitment Post Training

The company offers a recruitment post training program for graduates, with various academic certificates

45 trainees over the last three years.



H.E. Hamed Said Al Junaibi

Chairman

Ryboa Haima Company is one of the local community companies in the Sultanate of Oman. It was founded in 1992. It operates in the service and logistics sector in oil and gas field.

RH expanded during the past period with the support of large oil companies such as PDO, Occidental Petroleum, Oman Exploration and Production Company and other companies operating in this sector. The company is operating in number of projects in the Sultanate from north to south, most notable ongoing projects include.

Occidental Petroleum Company fields "Mukhaizna" and "Safa", PDO fields "Harweel" and "Bahja", Duqm refinery, OQ Oman Company field "Abu Al Tubul".

Ryboa Haima Company is looking forward to achieve (ICV) within its development strategy in business sector. the company has contributed significantly to the recruitment of Omani cadres, especially in leading and administrative positions, it has also been keen to support SMEs, operated by Omani youth, especially in transportation, equipment, technology and other fields.

Ryboa Haima Company is keen to move forward in developing and qualifying national cadres in various specialties needed by labor market, specially the needed by oil and gas sector in the Sultanate. RH has invested significantly in purchasing assets such as tools, machines and necessary equipments. this investment is estimated to be worth millions of USD.

We affirm our commitment to support the wheel of progress and growth in business sector in the Sultanate by increasing purchases of local , our support SMEs, and we believe in recruiting the qualified national cadres, as a part of Oman's vision 2040. Perhaps one of the matters that we would like to highlight about ICVis that the growth of local community companies is dependent on the level of trust and confidence that major oil companies have in them. Local companies, as figures and statistics indicate, have a key role in employment and in moving the wheel of other commercial and service sectors.



Ryboa Haima Trading Co is a leading 100% Omani owned group of companies with active participation in Oman's Hydrocarbon, Petrochemical, Building Construction, Facility Management, Waste Management Manpower Supply sector industries since 1992. The company posted a growth of approximately 100% during the period from 2002 to 2016 and is currently rated one of the leading Omani Contractors in the Sultanate of Oman. Ryboa Haima Company carries out its operations according to the high standards of health and safety and environmental protection. and has located its assets strategically to be able to mobilize manpower, equipment and provide other services to any part of Sultanate of Oman. Our competence to deliver and maintain high standards in the oil & gas industry, construction & facility management sector has resulted in the acquisition of many major contracts in Sultanate of Oman.



Services

- Oil and gas sector
- Logistical support for wells
- Constructions
- Trucking
- Waste Management
- Manpower supply
- Facility management
- Leasing equipment and vehicles

Projects and experiences

- Petrogas Rima projects
- Hands-on experience in joint project comprising Worley Parsons Company and Arabian industry company (WPAI) and special substantive servicing group.
- Hands-on experience in joint project with OXY
- Experience in joint project with PDO



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In Country Value Achievements



Human Resources Recruitment

Omanization **47%**

The Notional cadres hold senior leading and supervisory positions.



Fixed Asset Investment

Ryboa Haima Company has invested considerable capital in purchasing company's assets such as equipment, devices and vehicles.



Training and Qualification

During the last 3 years the company has spent about

88 US\$ Thousand on Training and qualification

in a number of areas, most notably health, safety, technical majors and specialized courses in oil concession areas.



Purchase of Local Goods and Services

Purchases of local products reached more than **0.5** US\$ Million during last 3 years

Purchases of international products from Omani agents amounted to more than **4.5** US\$ Million



Local Supply of Subcontracted Services

The company contributed in subcontractor development by giving them business amounting of

450 US\$ Thousand during the last 3 years.

SMEs

Develop and Support SMEs

The support of SMEs reached nearly

97 US\$ Thousand during the last 3 years



Hamed Al Kharusi

General Manager

SGS has the confidence on ICV Program, seeing that national investment can be great force for business growth and workforce development with direct and positive impact on Oman's economy, SGS has a commitment to develop effectively local private sectors by investing and exchanging experience.

In compliance with this program, SGS has giving full support for SMEs through Manafaa (a program, aims to provide Oman's entrepreneurial and scientific community with the opportunity to pitch innovative and creative biodiversity-based business ideas and help transform them into viable working models). SGS committed to provide training, technical advices and financial support that enable them realize their ideas and thoughts into real products in the market.

Also, we add more than just financial value to society. Through our integrated leadership approach, we strive to become an ever more sustainable company and maximize the positive impact we can have. Our stakeholders (employees and suppliers, investors, customers, governments and industries, consumers, and communities and the planet) are the ultimate beneficiaries of this effort. In order to measure our success, we are developing an innovative impact valuation model to quantify our value to society.



SGS is the world's leading inspection, verification, testing and certification company. We are recognized as the global benchmark for quality and integrity. With more than 97,000 employees, we operate a network of more than 2,600 offices and laboratories around the world. Through our network of global affiliates, we offer a diverse range of independent services.

As an Affiliate of the global SGS enterprise, SGS has been present in Oman since 1983. In recent years however, through the vision of its management and the recognition of Oman as a vital source of growth in the Middle East, SGS has thrown a wider net into the services offered in the region. We now offer an increasing number of services to meet local demands. SGS offers services across 11 major industries through our eight business lines. Each business line develops and maintains world-class expertise to support the evolving needs of our customers. Thanks to our capabilities we are able to provide solutions to the challenges they face across the globe.



The Industries that SGS Services are outlined below:

AGRICULTURE AND FOOD:

Innovative safety, quality and sustainability solutions for your supply chain.

CHEMICAL:

Innovation, optimization and efficiency in everything from feedstocks to finished products.

CONSTRUCTION:

Ensuring safety and performance in the environment where we work and live. Safe, efficient and trusted processes are essential when constructing buildings or infrastructure.

CONSUMER GOODS AND RETAIL:

Generating trust throughout the supply chain.

LIFE SCIENCES:

Safeguarding the quality and efficacy of medicines.

ENERGY:

Powering processes from renewables to conventional energy.

MINING:

Delivering expert services to improve speed to market, manage risks and maximize returns.

PUBLIC SECTOR:

Facilitating trade and sustainable development, protecting society against fraud and economic crime.

TRANSPORTATION:

Driving a safer, cleaner and more efficient industry

INDUSTRIAL MANUFACTURING:

Making manufacturing more productive and profitable.

OIL AND GAS:

Innovative solutions that add up along the value chain.



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In Country Value Achievements



Human Resources Recruitment

The number of full-time employees working in SGS Oman has reached about:

271 employees

Omanization **70%**



Fixed Asset Investment

More than **7** US\$ Million

Was invested in 2020 up to first quarter of 2021 for SGS Oman projects and laboratories.



Purchase of Local Goods and Services

73% of total spent to Local Suppliers.

SGS committed to delivering sustainable value to society. Ensuring that our supply chain and direct operations have a positive impact beyond the traditional financial benefits is an integral part of our success and leadership. SGS spent over **50 US\$ Million** on suppliers.



Training and Qualification

- SGS has been recognized as the global benchmark for quality and integrity. For the first time in the Sultanate, an Omani lady at SGS could achieve the requirements of Quality Management System Auditor Course and was certified as a Lead Auditor with **ISO9001-2015**.
- This year, SGS has started in applying for Khibrat initiative through the On Job Training Program under the supportive of National Training Fund. Khibrat initiative is a collaboration between Ministry of Labor and Ministry of Culture, Sport and Youth that focuses on promoting national capabilities, now there are **16 fresh graduates** admitted and undergoing in SGS on-job training program.

SMEs

Develop and Support SMEs

Small and medium enterprises (SMEs) play a major role in the world economy, contributing towards entrepreneurship, innovation, employment, economic growth and development, the SMEs sector has attracted considerable attention from SGS with more than **12 US\$ Million** spent on SMEs support by awarding projects and transferring knowledge using our years of experience to enhance and develop their capabilities thereby to facilitate their success.



Dr. Dhafer bin Awad Al Shanfari

Concept of In-Country Value? Successful experiences in the Sultanate?

Initially, let us define the concept of In-Country Value (ICV) as the total expenditure that remains inside the country, benefits the development of companies and human cadres, and contributes to enhancing the economic productivity of the Sultanate. It also contributes the Omanization of jobs that require skills in contracting companies, increasing purchases of local goods and services while contributing to the development of local companies.

The Sultanate's experience in applying ICV through the oil and gas sector by developing ICV strategy (2013-2020). This strategy aimed to prepare a local supply market for oil and gas industry that is competitive and sustainable, and to enhance the skills of citizens in this sector.

By studying the opportunities available in the energy and minerals sector, it was found that there are golden opportunities in employment and training sector in the Sultanate. Therefore, contracts were concluded with local private companies to apply the In-Country Value strategy. According to figures and statistics issued by the follow-up unit at the Ministry of Energy and Minerals, which adopted the In-Country Value strategy, we find that local companies have made great proven strides in this field by virtue of their volume of spending in the local market or level and volume of production.

The In-Country Value is one of the most important tools for implementing the Sultanate's vision 2040 in economic diversification and industrial strategy 2040. In industry, its application aims to develop the manufacturing sector and its sub-sectors, by increasing local manufacturing opportunities, enhancing the purchasing power of the national product and related services, enhancing the efficiency of national cadres, making use of Omani competencies and creating job opportunities for citizens.

Is the concept of ICV clear to decision makers in the Sultanate, especially to the Tender Board and procurement departments in government and private agencies?

I think there is some confusion as regards the definition of In Country Value in the Sultanate, although there are many relevant successful models in various countries of the world. We find countries that establish bodies specialized in the promotion of local content, such as (the Local Content Authority) in Saudi Arabia. There are also other countries that link large purchases to the local content through tender boards or the Ministry of Finance.

Government Authorities, which regulate the main sectors within the country and have large purchases such as electricity, water, roads, infrastructure, security sector, health, or the Tender Board, have a role in implementing the In-Country Value Program. These authorities have high government expenditures and large development projects, part of which should be systematically allocated to local companies, whether small or medium, in accordance with clear legislation, or set aside for training and employment of Omanis.

• What are the successful steps in implementing the ICV program in light of your experience in this field and your membership in many ICV committees?

First: The full conviction of the authorities and ministries concerned with the economy and finance of the importance of applying In-country value and its economic feasibility. The authority that adopts the program must have a purely economic thought more than the accounting thought that focuses on allocating purchases to external companies at a lower price.

Second: Enactment of new law or new chapters in the Procurement Law or the Tender Board will be as legal framework that defines the responsibility of the authorities in implementing In-country value and not leaving the subject voluntary to the authorities.

Third: On the executive side, an independent unit must be established or the units associated with tenders and procurements should be restructured in order to follow up on the project and be responsible for supervising the activation of local content in government procurement. I believe that the Tender Board is the most appropriate authority to implement the In-Country Value

There must be a mechanism for contracting and purchasing to ensure applying ICV in the content of tenders and purchase orders, and to improve and review the governmental oversight mechanism in procurement, along with emphasis on the importance of analyzing the sectors in which there are chances of success for this concept according to a set of criteria.

How does the application of ICV pave the way for localizing the Omani industries and services?

The localization of various products and industries, such as the military or medical, or products that are included in the manufacturing industries or oil and gas services, is a very important matter, especially since the importance of local products appears in times of crisis.

For localizing the industries, we need full transparency of information related to projects and purchases expected within the next five years, to know the opportunities available to local companies and its economic feasibility and their ability to meet the needs of those projects without importing components and tools from abroad and relying on the local component. For example, the munitions production factory, we succeeded in completely localizing that industry by relying on the local product.

There are also golden opportunities in the hotel sector, which imports its requirements from abroad, and here we hope that the Ministry of Tourism will announce the needs of that sector and its annual consumption to give the opportunity to local companies to provide these requirements according to the highest specifications and at competitive prices.

From your point of view, how can government and private agencies be encouraged to apply ICV?

In the industrial sector, the Ministry of Commerce and Industry has supported the industrial facilities that apply this concept in terms of manpower requests, giving them preference in tenders and facilitating their access to work, in coordination with the concerned authorities.



The ministry has also set standards for ICV in evaluating the Sultan Qaboos Award for Industrial Proficiency, such as promoting the national product and making greater use of the Omani competencies within institutions, as well as supporting small and medium enterprises by granting them some tenders and contracts.

Putting into practice the decision to allocate 10% of tenders to local suppliers and support the national product, while simplifying the procedures to this implement decisions in order to support national industries and products, the growth of the economic movement and the availability of job opportunities.

In tourism sector, ICV-implementing entities and hotels may obtain a tax exemption or a green card to obtain the relevant licenses in tourism or to obtain priority for tourism promotion.

Do free trade agreements impede the investing companies to apply the ICV?

We respect the freedom of international trade and import and export standards, which do not prevent the establishment of specific controls that oblige companies to apply ICV. For example, Britain in 2009 relied 100% of its military purchases on local companies. There is also a law in the United States of America from 1931 obligating international companies operating under contracts with the US government to allocate a percentage of their business with American small and medium companies.

If we touched upon the Partnership for Development program "Offset", how would you evaluate it as an initiative that was close to establishing the future of enhancing local content?

The "Offset" program, whereby foreign partnerships that have contracts with government related to construction, procurement and infrastructure projects are obligated to reinvest a specified percentage of the value of contracts concluded with them in development projects according to specific controls and standards. It is also one of the strategic economic tools that aim to encourage investment, transfer modern technologies, and build national cadres in the defense sector and other sectors. This program is applied in more than 80 countries around the world.

The history of "Offset" began in 2000 in the Ministry of Defense, then a year later the first regulation for the Partnership for Development Program was issued, and in 2008 the management of the program was transferred to the Ministry of Commerce, Industry & Investment Promotion. In 2014, Royal Decree No. (9/2014) was issued regarding the establishment of Omani Authority for Partnership for Development (OAPFD), and currently the authority follow up on 19 projects in the operational phase.

The most important projects of OAPFD?

- The electronic system of the Partnership for Development and In-Country Value Program (A system for linking offset opportunities between committed international companies and local companies).

- National Capacity Strengthening Program.
- Small and Medium Enterprises Development Fund.
- Youth Skills Development Program.
- Oman Aviation Academy.
- Science, Technology, Engineering and Mathematics curriculum.
- Advanced Cyber Security Academy.
- Steyr Advanced Maintenance Center.
- The Palm Central Laboratory Project, and the Modeling Project in the Innovation Complex in Muscat.
- Ta'ziz Project 1.
- Partnership project with the Oman Technology Fund.
- Oman Cables Project to enhance In-country value and train and qualify Omani cadres.

We review the most important models of our "Oman Aviation Academy" and the main objective of its establishment is to increase the local content in the training of Omani pilots. It is the first technical academy specialized in aviation training in the Sultanate, according to a joint cooperation agreement with Oman Air. The Academy aims to provide training and educational services in accordance with international standards that comply with the principles and controls of the European Aviation Safety Agency. The academy offers an air transport license approved by the European Aviation Safety Agency, which enables its holder to fly within local and international airlines.

We have also established a "Center of Excellence for Advanced Communication Technologies and the Internet of Things", which deals with 5G and Internet of Things applications, in partnership with the Swedish company Ericsson, a leading provider of data and telecommunications systems. The project will be implemented by Ericsson's fulfillment of its commitment of the Offset Program with the Ministry of Finance, by providing 5G latest devices and technologies in the and the Internet of Things, in addition to training and qualifying the human cadre operating the center. The company will also implement training programs that include workshops, training camps, specialized professional courses and orientation programs, targeting participants from institutions related to the telecommunications sector and commercial and industrial institutions, in addition to students of academic institutions, researchers and innovators of Omani youth.



Khalid bin Sulaiman Al Farsi

Purchase and Contracts Manager

OMIFCO is fully committed to the ICV Blueprint Strategy introduced in late 2013 in the Sultanate of Oman. OMIFCO has been making an effective and significant contribution to enhance ICV and achieve the objectives laid by the Government under the ICV program.

We are proud to announce that we have achieved a high percentage in ICV, which is more than 51% of the total spending during 2015-2020. OMIFCO is committed to enhance this achievement through follow-up, research and utilizing all available opportunities. We sincerely believe that OMIFCO has a vital role to play towards ICV and the resulting contribution to the local economy and employment.

To reflect on this commitment, OMIFCO has developed guidelines and key performance indicators to enhance the ICV within the framework of relevant local rules and regulations. Further, we maintain close communication with other companies in this field to exchange experiences and initiatives to ensure the largest possible contribution. OMIFCO and its main contractors submit ICV returns on a quarterly basis, which helps monitor ICV progress and identify new opportunities or any gap analysis.



أوميفكو
OMIFCO

Oman India Fertiliser Company SAOC (OMIFCO) is a world class modern manufacturing facility with two identical lines for the production of agricultural nutrients (Ammonia and Urea) in the industrial city of Sur (Madayn) in the Sultanate of Oman.



Opportunities

There are some promising opportunities that can be captured by the local market in manufacturing, providing wear and tear spare parts, medium technology spares, in addition to various standards metals, plastic and rubber spare parts used in periodic maintenance work, as well as a wide range of chemicals and various technical, industrial, marine and logistical services, in which most companies operating in the field of oil, gas and petrochemicals participate.

Projects

OMIFCO has awarded many high value projects to local companies and SMEs in the field of manufacturing, construction, marine services, maintenance and others.

Activities

Production of agricultural nutrients (Ammonia and Urea)



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In Country Value Achievements



Fixed Assets Investments

OMIFCO was established in 2003 with investments amounting to

968 US\$ Million

and is headquartered in the industrial city of Sur (Madayn). It also has its own pier for exporting ammonia and urea.



Employment of Human Resources

Omanization **79%**

OMIFCO seeks to develop local Omani human resources at various levels and specializations in the company, in accordance with the well-studied plans and programmes.



Training and Qualification

OMIFCO provides training courses for all the company employees, at a rate of

1000 beneficiaries annually,

in various fields, including specialized technical and administrative, personal skills development, professional and leadership competency. OMIFCO has established a specialized center for talent development, which in turn, provides professional training and development programs for employees. The center also provides effective training programs for Omani students from various universities and colleges enabling them gain practical experience that will hone their professional skills and prepare them for their future jobs.



Purchase of Local Goods and Services

Purchase value of local products amounts to **10** US\$ Million annually

which varies from year to year as per need. OMIFCO attached great attention to increase purchases from manufactured goods in Oman as well as services provided by local institutions. This will provide new products across the supply chain and introduce new relevant technologies.



Local Supply of Subcontracted Services

OMIFCO encourages all major contractors to support and develop local subcontractors to build up their technical capabilities and attain the highest standards.

SMEs

Develop and Support SMEs

107 beneficiaries of SMEs Development Programs

OMIFCO provides support to SMEs by:

1. Giving them priority while purchasing, wherever possible.
2. Stimulating the local business sector and providing support, technical and vocational development.
3. Training and financing through various programs such as "The CELL" and "Wasel" programs. More than 80 young entrepreneurs benefited through three sessions of The CELL program. On the other hand, "Wasel" program, which started in 2019, so far 27 SMEs have benefited.



Technology Localization

OMIFCO works with advanced technologies. Despite that, the company seeks to localize any possible technologies wherever there are local capabilities and opportunities available.



Usama Al Barwani

CEO - Petrogas E&P

"One of our core values at Petrogas is 'giving back'. This is not just for ICV activities, but also for the way Petrogas conducts its daily operations.

We constantly strive to do our part in uplifting the country's economy. We are particularly proud of our Omanization level, which shows our belief in the Omani talent, as well as our interest in supporting SMEs. We aim to work hand-in-hand with the government to continue supporting local industries and drive ICV higher each year.

"Most importantly, we look forward to the day, when supply chain can be anchored on ICV as the most sensible business choice, thus local products and services become the default choice for corporations."



In 2008, Petrogas was awarded a service contract to operate the Rima Satellite Small Fields (RSSF), leading to the creation of Petrogas Rima LLC. Petrogas Rima LLC is the operator for the RSSF service contract with Petroleum Development Oman (PDO). It has a 75% contract investment, and the remaining share is held by Oman Oil Company E&P LLC (OOCEP). These onshore fields are located in the southeastern part of Oman.

Since 2008, Petrogas has a proven track record of Petrogas RIMA's performance that exceeds customer expectations. Because of the company's strong will to achieve success, the company relies on an enthusiastic national team working to overcome technical obstacles and unlock new capabilities in these challenging fields, that are operated with satellite technology.



Opportunities

- The current situation provides a key opportunity for Omani companies and especially the local supply chain. As the challenges faced by the global supply chain increase, more and more Omani SMEs are competing to provide goods and services to corporations. When these SMEs build their experience and work on providing competitive services, they will play a more crucial part in the supply chain, which will in turn lead to a self-sustaining ecosystem for the sector in Oman.



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In Country Value Achievements



Human Resources Recruitment

Omanization

96%

in Petrogas in general. In Petrogas Rima we have achieved the highest Omanisation rates in the sector, up to 99%.



Training and Qualification

over

10.333

hours of training, for the company's employees, which contributes in raising the local knowledge and skills.



Purchase of Local Goods and Services

Local goods and operating services **99%**

More than 99% of the goods and services provided are purchased through local companies registered in the Sultanate.

SMEs

Develop and Support SMEs

Petrogas recognizes the professionalism of local companies as well as the need to support local entities. Rima has set up a Ring-Fencing initiative whereby we work with Jalmoor National LLC in roads construction and Drilling Locations, as well as the Maintenance of Access roads and drilling water services. AA similar agreement was entered into with Ryboa Haima Trading Co.L.L.C by giving it the right to provide and maintain operations support services in the fields. These agreements ensure that millions of Omani Riyals remain in the Sultanate and help support the next generation of small and medium enterprises.



Technology Localization

Petrogas required Rima to produce energy and some chemicals in the Sultanate, in addition to other parts such as wellhead junction boxes, surface installation cable kits, and armored caps.



Kris Fidler

CEO

As a leading provider of logistics services in the Sultanate, we have spent much time and efforts in developing a large Omani workforce - with the valued a continuous support from PDO and bp. We have qualified Omanis for senior and important positions with a vision to make remarkable progress for the promotion of Omanisation in the future. As a result of these efforts, we have one of the largest and most effective Omani workforces as compared to any logistics company in the Sultanate.

TRUCKOMAN has always procured majority of the products and services from the resources available within Oman, such as food, fuel, insurance and bank services. On the other hand, products manufactured abroad, such as trucks and spare parts, are purchased through local Omani agents.

All these national initiatives are focused to achieve higher ICV, which enhances the trade performance and increase investment movement in the nation's local market.

Our orientations are still valid to achieve higher rates in the next stage, which will be represented in hiring national cadres and supporting SMEs, and attract technology and localizing it in the market.



ترك عمان
TRUCKOMAN

TRUCKOMAN, established in 1978, is a leading oilfield logistics company, specializing in three core activities: Oil and Gas Industry Logistics, Supply Chain Management and Integrated Logistics Solutions.

TRUCKOMAN operating facilities strategically placed across Oman: Muscat, Jiffnein, Nizwa, Adam, Safa Khazzan, Haima, Duqm, Nimr and Marmul.



- Truckoman is a an Omani company with 300+ staff as its shareholders. Truckoman holds ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015.

Group Activities

- Land rigs, camps transport
- Freight transport,
- Heavy transport
- Supply yard management,
- Warehouse Management
- specializing in resource management support for oil, gas and logistics sector,
- Equipment and vehicle rental,
- Road safety management,
- Military and logistics services transportation.

Opportunities

TRUCKOMAN plans to own the largest logistics network in the concession areas in the Sultanate. Hence, we have invested in bases at Marmul, Nimr, Haima, Adam, Nizwa and Safah and currently investing in facilities at Haima, Safah and Duqm.



Scan the QR Code
To watch the video

In Country Value Achievements



Human Resources Recruitment

1200 number of group employees which comprises
40% Omanization



Fixed Asset Investments

3 Million Omani Rials have been invested as fixed assets in the last three years.
9 Million Omani Rials, in the next 3 years.

- Heavy vehicles,
- Equipment and machinery,
- Workshop expansion,
- IT infrastructure,
- Storage facility.



Training and Qualification

The Company has completed more than 43,000 hours of training during the past three years in a number of management disciplines.

- HSE Training,
- On-the-job Training,
- Technical skills,
- Personal skills,
- Online Training.



Purchase of Local Goods and Services

The volume of spending on local goods reached **1.5** million Omani Rials annually, **4.5** million in the last three years. Local products and services such as food, fuel, insurance and banking services are purchased directly in Oman.



Local Supply of Subcontracted Services

5.2 million Omani Rials spent during the past 3 years

- Vehicles,
- Equipment,
- Generators,
- Lighting,
- Manpower.

SMEs

Develop and Support SMEs

3.3 million Omani Rials, during the past 3 years to support SMEs.

Contracting with:

- SMEs
- Local community companies
- Large community companies.



Ali bin Rashid Al Matani

Journalist

Governments in countries around the world seek to enhance the ICV of projects and economic works in them, with the aim of enriching local markets and benefiting society from internal purchases and services, instead of importing from abroad. Many of these governments enact mandatory ICV legislation, but even give preference in many tenders to the money that companies can inject into the economy.

At the local level, the Government has increased ICV in all businesses for national and foreign companies through the requirements that they organize the ICV and through an attempt to consolidate this concept in the business community. However, the concept of ICV is still at its nascent stage and needs a lot of indicators that assess the contribution of institutions in this bright side and also needs legislation and laws that make ICV binding as one of the ways to revitalize the national economy and provide a high value for achievement in this country towards the benefit of the country and citizens. It is essential for all government institutions and companies to work to organize this aspect in the next phase better than it is now by finding a national value of ICV and accurate indicators to assess the contribution of different economic businesses in promoting ICV.

The definition of ICV is, "it is the value of spending in the country from purchases of goods, services and human resources programs from employing, training and other aspects that contribute to the recycling of capital within the country." However, the ICV in our country as an essence value is still far from being organized and this requires a national authority or an institution that deals with local ICV as one of the foundations that can enhance this aspect and create frameworks and policies organizing the added value and determine how accurately it can be assessed, multiplying its benefits. Investment at the local ICV is very necessary in the next phase, it might multiply the benefits to the economy and society, and rewarding the companies that contribute to this aspect by enabling them more business in the country.

Today, there is an important institutional and legislative gap for organizing domestic ICV and creating framework of this aspect. Some companies contribute to this, but their contribution is not for the benefit of society by enriching local markets and promoting national competencies, which make them equal to other institutions that do not care about this aspect and import their requirements from abroad and depend on foreign cadres and do other practices that gradually weaken this aspect and national aspects becomes just images to achieve time goals through inappropriate practices.

Enhancing the local ICV and making system for it under careful supervision will make companies racing to give this side the major and maximum importance and therefore economic gains will be achieved in the country's capital rotation and benefit from the community capabilities and enhancing the areas of social responsibility, community service, environmental and natural resources and their sustainability until it becomes a culture achieving our aspirations for a better future. The experiences of the Sultanate in the local ICV are represented in partnership to enrich the national economy and markets and to give local value to the contracts and tenders. These efforts have been successful in the establishment of Partnership for Development in 2014 as the first independent entity and in August 2021, it was integrated into the Ministry of Finance. There was a department in the Ministry of Defence since 1999, handling military procurement and in the Ministry of Commerce and Industry in 2008, to enrich national economy through contracts, finding a balance mechanism between funds gone out from the country through

ICV, Meaning and Significance

what the government pays for contracts and procurements (for which, the value exceeds OMR 5 Million), equivalent to what these companies can implement, in terms of vital projects for the country and are considered a local ICV to the national economy. It is a positive development in promoting and enriching the economy through these programs and through localizing funds, techniques, technology and knowledge in the Sultanate because of its great importance.

On the legislative side, the privatization law and the public-private partnership law is one of the most prominent legislations. It obligates the companies that get contracts worth more than five million riyals with the government administrative units (civil, military and security system units) and companies in which the government contributes more than 50%, and investing a specific percentage of contracts concluded with them in certain economic projects according to specific controls.

Indeed, the law and in the third clause, obliges the Administrative System of the Country (civil, military, and security) and companies, in which the government contributes by more than 50%, including the contracts of infrastructure projects determined by the Council, the contracts of arms and security supplies and security supplies that exceed 5 million riyals Omani, a clause that provides for the commitment of parties to the advantage of dealing with (Tawazon) program, which is a significant development that promotes the enrichment of the national economy and activates domestic markets and the Communities.

The ICV of national and foreign companies can only be achieved through direct partnership within the framework of contract implementation, which is the total expenditure retained inside the Sultanate, such as the executing company purchasing raw materials from the Sultanate's factories instead of buying them from abroad, as well as through indirect partnership implementing vital projects in the Sultanate that are not directly related to the execution of the main contract.

There are good attempts by many national companies to implement the ICV through clear programs, projects and effective contributions that consolidate the concept of ICV and are announced from time to time. This requires that it be one of the criteria for evaluating the performance of entities and companies because of its great importance at all levels.

Of course, the concept of ICV within the framework of (Tawazon) program is different from corporate social responsibility, as it is broader than that, it is related to how to enrich the national economy through these contracts, and to find a balance between the money going out of the country and what the government pays for, in millions of riyals (the contract value is more than five million Omani riyals).

We hope that the ICV in the Sultanate will develop and be enhanced in quantity and quality by finding a concerned authority, that specializes in this important aspect, evaluating the experiences of companies and authorities in dealing with this vital aspect, and finding clearer indicators in the local value-added methodology, which contributes to enriching the national economy, developing and qualifying national cadres and transfer of knowledge and strengthening the private sector.



Aqla Al Maskari

Director of ICV program Management Office
Ministry of Energy and Minerals (former)

In country value is extremely crucial to the national economy for its positive impact on social and economic development and the diversification of the national income through localization of the supply chains, in addition to attracting foreign investments. Therefore, this important economic pillar has been given the highest priority in Oman Vision 2040.

In line with the rational government directives to enhance the local content and achieve the desired economic goals, the energy and minerals sector has played a leading role in formulating the strategy of the ICV Program with the aim of developing a competitive and sustainable local market and enhance the ICV development environment.

The ICV strategy is based on developing the competencies and capabilities of the national workforce, which will contribute in raising the Omanisation rate, especially in middle and higher technical jobs. It also aims at raising the efficiency of vocational and technical training institutes to match international standards. Moreover, it seeks to encourage and expand the local production base of goods and services.

The Ministry of Energy and Minerals has formed a principal committee to oversee the performance and progress of the ICV program.

The committee includes in its membership chief executives and general managers of the most important companies operating in the sector from upstream to downstream, in addition to some relevant government agencies with common interests.

The Ministry, in close cooperation with the main companies in the sector, has supervised the implementation of several initiatives to enhance the added value, the most important of which is conducting a study, analyzing the gaps between supply and demand in the field of goods, services and skills. The study identified several investment opportunities for the purpose of localizing industries and providing services locally. It also identified a number of new job opportunities for operating and contracting companies and service companies, along with training opportunities to develop the skills and capabilities of the Omani workforce, so as to replace the expatriate workforce.

This was followed by the establishment of the ICV Program Management Office at the Ministry of Energy and Minerals to manage, facilitate and support the delivery of the projects. In addition to the launch of the Joint Supplier Registration System (JSRS) for the oil and gas sector. The system aims to highlight the local companies and institutions of all sizes to present themselves to the wider base of local, regional, and international markets. It also smoothens the process of communication and dealing between companies in the field of contracts and procurement. One of the most important advantages of the unified registration system is that it will enable the Ministry to supervise and ensure the commitment of operating and contracting companies to allocate 10% of the works to SMEs (E-Tendering).

Local Added Value and its Impact on the National Economy

As a part of the energy sector's efforts to localize goods and services, ICV elements have been included in all contracts with a unified evaluation mechanism. Furthermore, a unified system has been established for monitoring and reporting on companies' performance, in relation to these elements, under the supervision of the ICV program Management Office at the Ministry of Energy and Minerals.

Among the sector's efforts to empower the national companies, A Local Vendors Development Program was initiated with the aim of upgrading the capabilities of the national companies, including SMEs. It strives to increase their competitiveness and raise their market share by defining and allocating a portion of contracts and procurement for the national companies only.

With the increasing interest in ICV and to make maximum benefit of the joint efforts and initiatives from several sectors - which aim at developing the local market and containing and circulating the largest possible amount of funds within the national economy - it has become necessary to work on a national ICV strategy for all sectors. In addition to establishing a unit or an entity dedicated in managing this program by setting basic standards for ICV, which center around raising the Omanization rate, especially in middle and senior job levels, as well as encouraging increased consumption of local goods and services.

The role of the supervising unit should include but not limited to the following:

- Enacting legislation and policies related to the ICV.
- Defining performance indicators to measure the ICV and the institutions' contribution in achieving it.
- Establishing a unified system for monitoring and reporting the performance and contribution of institutions to the ICV.
- Establishing a unified procurement system (Framework Agreement) by coordinating between the different authorities and determining joint procurement opportunities to reach to better deals with the investor or foreign supplier.
- Establishing a database of local goods and services for each sector, provided that, this list is mandatory and given priority in the government and private procurement.
- Disseminating and raising awareness of the concept of ICV and its positive impact on society and individuals and solidifying it as a work methodology in the strategies of all governmental and private institutions.

One of the critical success factors of the ICV program is the decision-makers' conviction of the importance of ICV and its benefits as an economic pillar. Despite it being costly in the short term, it contributes creating many opportunities which in turn, results in creating competition and thus, decrease in prices of goods and services.

In conclusion, ICV represents an important mechanism that will support the diversification of the national economy and mitigates the dependency on oil related resources. For these reasons, ICV acts as a proactive catalyst that will minimize the impact of any future economic downturn.



Abdullah Al-Hady

Managing Director

Since the inception of Abraj and even before the announcement of ICV Blueprint Strategy in late 2013, maximizing local content was bearing high consideration on Abraj's decisions. The ICV is an important objective for us to drive sustainable local content growth through procurement localisation and manpower skills development.

We, in Abraj, are fully committed in maximizing the ICV in order to achieve the fundamental objectives of Oman sustainable development through development of Omani resource skills as well as enhancing local capabilities by increased local sourcing of goods and services.

Abraj takes pride in its efforts in Omanization where it has become one of the highest in the industry with dedicated in-house training facilities to develop staff technical skills.

Sourcing of "made in Oman" goods and services takes a priority in Abraj by maximizing procurement of goods manufactured in Oman and services provided by Omani companies. We have also supported local manufacturers technically in developing and improving the production and quality of their products.



Since commencement of operations in 2006, Abraj Energy Services SAOC has grown from a company of under 500 employees, to over 2200 employees. The Company has consistently managed to increase the employment of Omani nationals at different level in the organization.

Abraj has come a long way since inception in recruitment & Omanization achievements, as it currently stands at 92% companywide.

Services:

- Drilling & Workover Division
- Drilling Rigs Services
- Casing Running Services

Workover Services

- Well Services Division
- Well Intervention Services
- Pressure pumping Services
- Coiled Tubing Services
- Flowback Services
- Well Testing Services
- Cementing Services
- Hydraulic Fracturing Services

Opportunities:

There is a gap in manufacturing, especially in the area of chemicals and Wells equipments, where the expenditure is in excess of US\$ 150 million annually. The manufacturing in Oman needs to be for full production instead of assembly only. In addition, there should be an incentive for utilizing goods "Made in Oman"

Project:

Abraj has embarked on a project with the United Petroleum Industries Company to manufacture solids separation equipment and accessories during drilling operations in the Sultanate.

The project started with testing the product on two rigs. Today the product is being used on nine Abraj rigs across many clients i.e. PDO, Petrogas, Medco, CCED, etc. after convincing them of the quality being offered in addition to being made in Oman. Prior to the introduction of this product in the market, there was heavy dependence on foreign products. Abraj sources out from UPI approximately 80% of the production.



In Country Value Achievements



Human Resources Recruitment

Since its inception in 2006 over **2200** employees

Omanization **92%**
71% in leadership positions



Fixed Asset Investment

Since inception, Abraj has invested close to a **1** Billion US\$

in fixed assets such as: Rigs, FRAC Units, Cementing Units, Camps, Workshop facilities, Offices, etc. We relied on local sources for a large part of our investments.



Training and Qualification

In an effort to create specialized workforce, Abraj constantly strives to provide high quality structured training programs to enhance the skills and develop competency of staff in various disciplines i.e. electrical, mechanical, drilling operations and maintenance. The objective is to provide employees with the requisite knowledge and transfer of skills for effective engagement on every task undertaken. All training programs are done in house at our training center by qualified personnel. Our training programs have gained international accreditation from the International Association of Drilling Contractors (IADC) and the International Well Control Forum (IWCF)..



Purchase of Local Goods and Services

there are more than **800** approved local suppliers

a large number of are from SMEs, as well as Local Community Contractors (LCC) operating within the oil and gas concession areas. The share of national companies in 2020 was about 57% of the total spending of Abraj. The share of goods made in Oman out of the mentioned percentage was 45% .



Local Supply of Subcontracted Services

Abraj continues to acquire the majority of services through local companies whereby in 2020 its total spent reached 95% in services and the share of SMEs & LCC total spend reached 16%.

SMEs

Develop and Support SMEs

Abraj target for SMEs spend in 2020 was set at 10%. At the beginning of 2019, Abraj management had set out an ambitious plan in support of SMEs in an attempt to achieve the above target. Abraj managed to maximize the spend on SMEs where the actual percentage reached 17%.



Technology Localization

Abraj have developed numerous technologies using its in-house capabilities and local workforce in the area of fracturing and cementing. Our technologies have been approved by oil and gas operators and Since then, these techniques have been used.



Jelle Nederstigt

Sr. Vice President Oman

In-Country Value (ICV) forms a part of our integrated approach to delivering social performance in our operations and in our projects. Hence, we are committed to assist with developing world class / SME scale enterprises capability in vocational and professional education, training and research institutions in Oman, matched to actual industry opportunities.

Requis is Worley's solution for a cloud based B2B marketplace. The Requis marketplace will provide the opportunity for Oman's oil and gas operators to increase capital returns on their surplus equipment / scrap and materials. Requis has successfully helped repurpose 132,000 tonnes of material and equipment within Oman for reutilized / recycling purposes.

Over the past year we have delivered renewable energy and waste-to-energy solutions supporting the energy transition as well as plastics-related circular economy projects. We are committed to bring this Worley global expertise to Oman"

We also support circular economy solutions through our Requis platform. Requis connects buyers and sellers online, encouraging the re-use of redundant and excess materials while reducing demand and decarbonizing supply.



Worley is a leading global provider of professional project and asset services in the energy, chemicals and resources sector. Worley delivers projects, provides expertise in engineering, procurement and construction and offers a wide range of consulting and advisory services. We cover the full lifecycle, from creating new assets to sustaining and enhancing operating assets, in the hydrocarbons, mining, mineral, metals, chemicals, power and infrastructure sectors.

Worley has a market leading In-country Value (ICV) strategy for Oman, evident in our recent achievement of 45% Omanisation. Worley is proactively pursuing ICV objectives as an organization and in support of our customers' needs across various contracts.



"Omanisation is an integral part of our delivery strategy for every project we execute in Oman. With an Omanisation rate of 45% (of Worley direct staff), Worley Oman is one of the largest employers of Omani's amongst our peers. For every project we deliver we aim to not only deploy Omani employees but also develop our Omani employees into more senior roles. We have been most successful in doing this on our long-term contracts and we see these contracts with our clients as an excellent opportunity to continue to develop and increase our Omani workforce"

In Country Value Achievements



Fixed Asset Investments

Over the past years we have invested significantly in fixed assets, including establishment of the office, transportation vehicles, computing and communications equipment, signage, furniture and fittings, and general facilities within the office environment.



Training and Qualification

Worley has implemented a long-running Oman office Learning and Development Plan, through which we have trained over

600 Omanis

over the past 28+ years, utilising a five-phase capability development approach which takes a holistic view of organisational and project needs, and capability demands.

Worley is aligned and committed to the investment requirements of the Training For Employment scheme. Our focus is on growth and performance of our Omani nationals. Worley recognises that the TFE spans a number of categories and will adapt to the use of existing TFE programs where appropriate. To manage the requirements and track the success of the program candidates, a series of resources and tools will be utilized.



Human Resources Recruitment

Worley's direct employees in Oman are currently over

45 % Omani nationals.

we have recruited thirty one (31) graduates between summer 2020 March 2021 in multiply technical and non-technical disciplines with professional development program.



Purchase of Local Goods and Services

On previous contracts, over

9,500 sub-contracts

have been issued to various LCCs in Oman. We also prioritize the utilization of the local JSRS system and ensure fair and equal participation from various Omani organizations for both products and services.

SMEs

Develop and Support SMEs

Worley works to support the performance of local subcontractors by identifying opportunities for knowledge transfer, providing access to appropriate training opportunities and providing continuous feedback on their performance with recommendations for improvement.

- Ambassador scheme, where experts from the company will be mentoring project team staff to enhance their knowledge and skills.
- Workshops and forums for the management of selected Omani .



Mohsen Saleh Khawar

Chairman

The in-country value in oil companies is a key pillar for national economic growth, based on various standards, in particular: fill posts with qualified Omani cadres trained in state-of-the-art methods, support national products and goods produced and manufactured in the country.

Therefore, we have to recognize the importance of increasing the percentage of purchases from national production. One of the important standards and a key pillar in creating movement and activity in other commercial sectors, is the support of SMEs operated by Omanis.

On the other hand, if we look at the importance of localizing technology in a number of fields involved in the oil and gas industry, this in turn will constitute support for the development of the technology sector in Oman.

SOSCO made a remarkable progress in the in-country value consisting of localization of jobs, through training and development of new employees and attention must be given to the employees to keep up with the technical developments in this field and also supporting local SMEs through goods and services supply by entering into contracts with this company.

In addition to working with international companies with long-standing in oil field, to localize modern technology, train and develop omani engineers and technicians.



الصحاري
SOSCO

SOSCO for oil services is one of the Super Local Community Companies, it was incorporated in 2011 based on Royal Directives of the late His Majesty Sultan Qaboos bin Said, May God rest his soul in peace. SOSCO is sponsored by the Government since its inception. SOSCO number of shareholders reached 2062.

Activities and Services:

- Slickline Services
- Pumping Services
- Well Production and integrity Surveillance
- Well-head maintenance
- Well Integrity Services to ensure individuals and environment safety.

Opportunities:

Al Sahari Oil Services Company looking forward to expand its scope of work, Where the company and its management working to develop the company continuously in order to cope with the market demands.

Achievements

One of the company's biggest achievements is, investing in manpower. As a result of the continuous training and qualification, the creation of leaders, technicians and applied engineers has enriched the Omani labor market.

In Country Value Achievements



Human Resources Recruitment

Total of employees reached

221

Omanization

93%



Fixed Assets Investment

The company invested more than **5** Million Omani Rial

To purchase equipment, well maintenance and survey tools.



Training and Qualification

More than **65** Thousand Omani Rial were spent annually.

- Train and qualify number of the concession area citizens for example on-the-job training.
- The company trains not less than 10 graduates and job-seekers annually, to let them gain some experience to equip them with experience to enter the labor market or to fill the jobs available in the company.
- Internal and external training on the new technology, health and safety training.



Purchase of Local Goods and Services

Goods and services in local market constitute over

90% of the total purchasing

which equals to 15% the total of company annual expenditure.

SMEs

Develop and Support SMEs

The annual expenditure on the local companies and SMEs is more than

22% of the company's total expenditure

SOSCO has a significant role in supporting SMEs through direct support by purchasing, availing services or through administrative and technical support, that open opportunities for these companies to obtain contracts or sales promotion.



Technology Localization

SOSCO is now working with number of international companies in new technology field, to find out solutions and to streamline oil extraction and well safety business. Currently, the company is also working on system to manage process, as well as purchasing and arranging finance and administrative issues.